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ABSTRACT

This document and a companion National Report are the results of a study of the management of catering services in higher education by the United Kingdom Value for Money Steering Group. The national report identifies key management issues for the senior management team in developing a review of catering services, to ensure that they are effective and provide value for money. This toolchest was developed as a practical guide to help catering managers at higher education institutions to: assess the effectiveness of their catering arrangements; identify matters needing further consideration within their strategic policies and operational procedures for catering services; implement practical solutions to enhance service delivery and deliver better customer value; and communicate their service values, aims, and objectives to students, staff, and others on behalf of their institutions. The toolchest is divided into modules, covering each criterion of the EFQM Excellence Model: leadership and people, policy and strategy, partnership and resources, processes, key performance results, people results and society results, and customer results. The toolchest offers key findings from expert working groups, self-assessment checklists, cameos, and management statistics. The four appendixes, which comprise the bulk of the document, include a bibliography, pertinent references, checklists and other resources, and a glossary of terms. (SM)

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UK Value for Money Steering Group

Catering management in higher education

Toolchest

Department for Employment and Learning, Northern Ireland
Higher Education Funding Council for England
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Scottish Higher Education Funding Council

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Catering management in higher education: Toolchest

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Purpose and scope of the toolchest

This document, and the companion National report (HEFCE 2003/31), are the two outputs from the study of the management of catering services in higher education by the UK Value for Money Steering Group.

The National report identifies the key management issues for the senior management team in developing a review of catering services, to ensure that they are effective and provide value for money. The toolchest was developed as a practical guide to help catering managers at higher education institutions (HEIs) to:

- assess the effectiveness of their catering arrangements
- identify matters that need to be considered further within their strategic polices and operational procedures for catering services
- implement practical solutions to enhance service delivery and deliver better customer value
- communicate their service values, aims and objectives to students, staff and others on behalf of their institutions.

Format

The toolchest is divided into modules, covering each criterion of the EFQM Excellence Model. These range from Leadership and Policy & Strategy to Key Performance Results and Customer Results. The toolchest includes the following:

- key findings from expert working groups
- self-assessment checklists
- cameos
- management statistics.

Using the toolchest

Key findings from expert working groups
A project management committee, expert working group and consultation group was drawn from 20 institutions and contributed to this study. Their conclusions and recommendations are summarised under each element of the Toolchest.

Self-assessment
HEIs can use the self-assessment tools at Annex C to assess the effectiveness of their current arrangements, identify further areas for improvement and to prioritise measures for implementation.

Cameos
So that HEIs can draw on existing good practice in the sector, we have included cameos at Annex C that describe measures implemented by individual institutions to deal with particular aspects of catering service arrangements.

Useful management statistics
The National report recommends adopting a clear strategic approach for catering services, supported by qualitative and quantitative statistics to inform decision-making by catering managers; and to help them monitor the effectiveness of strategic policies and operational procedures. Annex C, parts 4-6, provides income & gross profit ratios; a financial trading model; and a list of useful business formulae for catering services.

Outputs and reports to review groups

The results of any reviews could be reported to the institution's appropriate governing committee and members of the senior management team as part of an annual report of catering services. The results could also be shared with students, staff and others.

The institution's catering service arrangements need to remain consistently effective and up to date. As circumstances change, the institution may need to repeat the reviews periodically.

Further information

A bibliography is at Annex A, a list of useful web-sites is at Annex B, additional good practice guidance and information (in the format of checklists and other resources) is at Annex C, and a list of abbreviations is at Annex D.

1 Leadership and people

Key findings by expert working groups

The Catering Expert Working Group (EWG) recommends that institutions adopt a self-assessment approach for the Leadership and People modules. The EWG has developed self-assessment forms for managers to review their catering services in relation to leadership and people. These may be scored, using the simple scoring system indicated, to track improvements achieved, progress made and so on.

Leadership

As in any business, the behaviour of leaders in leading the catering services towards long-term success is crucial. How they develop a clear purpose for catering services – by personally involving themselves in making things happen; working with others (customers, suppliers and staff, the general community); ensuring that systems are in place and developed; motivating, recognising and rewarding – is vital to any leadership role.

Based on research in the HE sector, the following examples of good practice were identified:

- commitment to the aims and values of the institution and its catering services
- adopting a high profile and leading by example
- supporting innovation
- emphasising motivation, trust and staff satisfaction
- developing a strong customer focus for catering services
- maintaining strong relationships with other stakeholders, both inside and outside the institution and its catering services
- enabling continuous improvement of catering services and systems.

People

Do you take your employees for granted? Are they happy? Do you do anything to encourage them? The things that drive management may not necessarily motivate your employees!

The majority of catering employees want to do a good job; they can be helped to do an excellent job by the way they are managed. Good communication, effective training, empowerment, encouraging input in the planning process, and giving recognition is a way to create a business that employees wish to work for. Creating such a culture will develop a real competitive advantage, engender commitment and encourage teamwork.

It is recognised by most quality initiatives that there are real benefits to be gained from adopting certain practices, which in turn create a culture that is better able to deliver services in a changing world. Some of these practices are referred to in the self-assessment section in Annex C; more detailed information is available from the individual organisations listed in Annex B.

Examples of excellence in this area would be:

- internal customer concepts used
- communication needs are identified and addressed
- relevant and effective training is provided
- people involvement is encouraged
- team and individual reward and recognition.

It is advisable that the self-assessment is undertaken and reviewed at least once a year, in order that areas requiring improvement can be developed.

Self-assessment checklists

The questions within the self-assessment checklists (see Annex C) are drawn from the EFQM model and refer to best practice within business. The management issues considered under Leadership and People are similarly covered by the *Investors in People* and *Hospitality Assured* initiatives – which are the two most extensively used model/benchmarks for catering services.

The self-assessment process used for Leadership and People, reviews in a systematic way:

- what has been achieved?
- what are the opportunities for further improvement?
- what are the links between 'what is done' and the results that 'have to be achieved'?

Self-assessment is a positive and constructive way of focusing and prioritising the efforts of catering services in continuous improvement and a way of measuring progress. It is a way of linking the activities of catering services to their results and vice versa.

Implementation

To benefit the most from self-assessment, the following implementation stages should be adhered to:

1. Plan and prepare for self-assessment
    - decide when the self-assessment will be completed
    - by whom it will be completed.
2. Collect views, information and data on 'where we are now'
    - what do we do now?
    - how do we do it and how widely is it done?
    - what are we achieving?
3. Identify strengths and areas for further improvement
    - what do we do well, what are our strengths?
    - where could we develop further?
    - do we need to change or add to current activities?
4. Identify the priority opportunities
    - decide the most important and practical opportunities for further improvement
    - which priorities will deliver benefits, that is, improve results, ensure business objectives are achieved?
5. Develop and implement actions based on the outcome of self-assessment
    - communicate the outcome of the self-assessment exercise
    - develop plans for the priority opportunities
    - convert those plans into actions and provide resource for this.
6. Review and repeat
    - to achieve a lasting and consistent benefit we need to review progress with the actions identified, to ensure they are implemented
    - review the process of self-assessment – can it be done any better?
    - repeat the process at regular intervals – at least annually.

Conclusion

To be effective we need to:

- be open and honest in the assessment of the current position. We must not undervalue our strengths, or be over-critical of ourselves. We must also not hide or ignore areas of opportunity
- be prepared to challenge current practice, and ask if there is a better way
- be ready to learn from the good ideas and practice elsewhere in the institution, and from other institutions and industry.
- be constructive, do not go over past mistakes
- follow through, to convert opportunities into actions

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- do not expect instant or 'quick fix' improvements.

Self-assessment is about the long-term commitment to continuous improvement. It can help catering services or the institution to identify and prioritise opportunities for further improvement in leadership and people. Ultimately it will focus the catering services' efforts, to achieve even better results.

2 Policy and strategy

Key findings by the expert working groups

For this module of the EFQM Excellence Model, the Catering Expert Working Group used a questionnaire approach. The questionnaire consisted of 29 questions. The results are based on completed responses from 66 institutions. These results were sub-divided into three groups based on annual turnover.

Based on the results of the questionnaire, it is clear that there is a trend for institutions to manage upwards. This approach is reflected both in the development of business plans and strategic policies. In developing the latter, the survey indicated that the majority of responding catering services used customer feedback data to develop their institution's catering strategy. However, the survey also revealed that other strategic elements are excluded in the development of these plans, such as references to pricing strategy mechanisms, catering policy, investment capital plans for development and refurbishment of catering services, and environmental issues such as recycling.

To address the above and other issues, institutions need to consider the following:

- improving the interaction between the institution's senior management and catering management in developing strategic policies and plans for catering services – particularly for issues impacting on business growth, services pricing, rewarding and recognising staff – by:
  - ensuring that catering features in the institution's overall strategy
  - developing a separate catering strategy that provides an in-depth analysis of what is needed and how best it can be delivered
  - ensuring that existing services are supported by strong business plans that reflect financial and operational targets
- planning should take account of all relevant factors, such as;
  - the role of catering services – business resource (profit centre) or service provider
  - pricing mechanisms for different levels of service operations
  - market-informed terms and conditions for catering staff
  - capital investment policies and plans, to support business development and investment in information management and technology
  - service level agreements with other key support services, for example, finance, IT, estates and personnel services
- establishing clear channels of communication so that issues and associated risks impacting on catering services are identified and acted upon
- collecting and disseminating management statistics to inform decision making
- publishing an annual business review
- enhancing staff training and development
- using the Conference of University Business Officers (CUBO) and The University Caterers Organisation (TUCO) to access current good practice
- maintaining staff awareness of legislation and good practice guidelines
- participating in national, regional and inter-institutional procurement initiatives
- documenting important catering procedures to support continuous improvement.

Summary of findings

An overview of the survey results for the following three income groups is provided below:

- institutions with catering turnover up to £1 million per annum
- institutions with catering turnover over £1 million and up to £3 million
- institutions with catering turnover in excess of £3 million per annum.

Institutions with catering turnover up to £1 million per annum

This category covers 23 out of 66 (35 per cent) institutions completing the questionnaire. Student numbers for this group ranged from just under 1,700 to over 22,000. Most catering services were provided 'in-house' at these institutions.

Within this group there was strong evidence that most recognised the need for a business plan and the benefits of communicating the plan to customers and staff. The development of this plan tended to be led by the catering management team, with limited involvement from the senior management of the institution. Plans focused on subsidy reduction, break-even targets and general cost reductions, with little evidence of planning for future development and growth of the business.

Difficulties for this group are that catering is not always seen as an important element in the overall institution's strategic plan. The business plan was often formulated from the bottom up rather than by the senior management of the institution. Pricing tariffs are often the responsibility of the institution rather than the catering management. Together, this can lead to a lack of strategic clarity both in terms of the effect on the financial success of the business and the lack of funding available for redevelopment.

Income in this group was, in the main, generated from staff and students rather than external commercial business. It is generally external commercial business that creates profit and contributes toward 'future years development'. Catering services in this category should be encouraged to explore this revenue stream for possible growth.

Communication with customers, staff and colleagues via benchmarking appeared to be very strong in this group, which indicates a strong focus on core business.

Institutions with catering turnover over £1 million and up to £3 million per annum

This category included 34 out of 66 institutions (51 per cent). Student numbers for this group ranged from just under 7,000 to over 45,000.

Thirteen of these institutions (38 per cent) make specific reference to catering services in their strategic plans. The same institutions have linked their catering strategy/business plan to the institution's overall strategic plan.

The HEIs in this group identified a number of proactive measures to update their catering plans. These included: awareness of industry trends, customer feedback, membership of professional organisations and the associated networking, the use of consultants, use of the internet, attendance at professional conferences, consultation with suppliers and staff, benchmarking, local competitive analysis, product testing, focus groups, financial and institutional plans analysis.

The results of this group seem to support anecdotal evidence from within the HE sector of a high degree of professional and operational competence; however, this is rarely transferred to operational documentation, such as formalised business plans and strategies. The implication of this is that a catering operation is capable of functioning without necessarily having policies fully documented. This is clearly a disadvantage when scrutinised by other bodies such as Investors in People (IIP), Hospitality Assured and other quality initiatives.

Institutions with catering turnover in excess of £3 million per annum

Nine out of 66 institutions (14 per cent) fell within this group. Seven of the nine operated an in-house catering service. The remaining two institutions had a mix of in-house and contracted services. Student numbers for this group ranged from just under 11,000 to over 30,000.

Only two institutions made specific reference to the catering operation in their main strategic plan. However, all institutions had a business plan for their catering service linked to their institution's strategic plan.

When producing or updating catering plans, catering services made particular reference to building in comments and observations received from their customers. This was underpinned by benchmarking services against both commercial operators and other HEIs. However, the survey revealed that other strategic elements are sometimes excluded in developing these plans. Notable exclusions were references to pricing strategy/mechanisms and environmental issues such as recycling.

All catering services confirmed that they involved relevant members of the catering workforce in their planning and that information was cascaded through the catering service.

All catering services had identified areas that they regarded as being critical to the success of the catering service. In terms of financial performance, all catering services had in place key performance indicators. In the cases of food and drink, gross profit percentage targets were set. Labour costs were normally set as a percentage of overall income. Actual financial performance figures provided by catering services saw considerable variation; there appeared to be little or no commonality. Non-financial critical performance factors included high levels of customer satisfaction and having a flexible and responsive workforce.

All but one catering service had annual appraisals and/or performance reviews in place for catering personnel. This process also involved setting specific objectives linked to business goals.

It was noticeable, and perhaps given the benefits of their scale not surprising, that the majority of catering services within this group had received national recognition through accredited schemes such as Investors in People, Hospitality Assured and Charter Mark.

Conclusion

The contribution of catering services can be financial and social, enhancing the student experience. It is good business practice for institutions' business strategy/plans to include recognition of the provision and contribution made by catering services. If the institutions fails to do so it is vital that the catering service submits its own interpretation of the institution's needs. It is quite possible that the institution may accept that the catering service can perform to one of three levels: operating at a loss; operating to break even; operating to make a contribution. HEFCE regulations do allow for local decision making regarding provision of loss making services on the basis of enhancing student experience.

Detailed findings

The rest of this module considers a number of specific policy and strategy issues for catering services within the three income groups defined above, under six headings:

- management of service delivery
- success factors
- strategic policy framework
- business planning (customers and staff)
- good management practice
- staff development and training.

Institutions with catering turnover up to £1 million per annum

Management of service delivery

Most HEIs in this category (78 per cent of the sample) have their catering services provided in-house; only five have external service providers.

Catering services were requested to indicate the specific factors and considerations included in their business plans. These included pricing mechanisms, short to medium term objectives through to reporting information to senior management (annual performance indicators and service level standards), staff training, customer feedback, waste management and further institution-specific items. Four catering services included all of the above indicators in their catering policy/business plans. Only three institutions did not have a catering policy or business plan for their services. The remaining institutions indicated that their plans included some or all of the range of indicators.

A total of 12 catering services out of 23 (52 per cent) indicated that they had implemented good management practices from organisations outside the HE sector. A further three indicated that they occasionally implemented good practices, but eight out of 23 (35 per cent) replied 'no' or did not answer this question.

A significant number of catering services had identified a number of ways to ensure that their services provided value for money. These included questionnaires, visits to other catering services, membership of purchasing consortia and professional groups. Regular reviews of services were undertaken, sometimes involving external agencies. Management team meetings, focus groups, meetings with suppliers and attendance at catering trade fairs and conferences also supported the provision of good services.

'Extensive feedback is sought from questionnaires and meetings that involve students, staff and members of the institution's management. National trends and local variations are monitored to see how they will impact on operations. Site visits are made to other catering services to see new ideas/methods in practice. Suppliers are visited and audited to establish how they can support our objectives.'

A number of catering services identified current issues and concerns:

'The guidelines from senior management/registrar level are not very clear. Just to cut costs is the priority. We are currently going through voluntary redundancies to cut costs.'

'Over the last three years we have regularly benchmarked against other institutions and out-sourced quotes. However, in these days of increased development of restaurants, hotels and cafes, it is important that we budget for and deliver real training and development for our staff and (offer) wages and salaries that reward and encourage loyalty and productivity. Equally, we need to constantly invest in up-to-date equipment and development which allows staff to be more productive and still guarantee the quality product that the students deserve and expect.'

Success factors

Nearly all catering services within this income category have undertaken some benchmarking against competitors and other organisations. Six out of 23 catering services (26 per cent) have benchmarked their catering services against other organisations. A further 12 (52 per cent) have indicated that they have done so on a selective and/or periodic basis. The remaining HEIs in this group (22 per cent) have relied on internal indicators.

The majority have also identified critical success factors that are key for their catering services operations. These include: the reduction of cost elements (food, wages, overheads and so on); a satisfactory outcome following a review by an external audit body (for example, environmental health, health and safety); the elimination of subsidisation of catering services; and the identification and satisfaction of customer needs.

However, some HEIs in the sample have not identified how they will measure the success of their catering services. This seems to suggest that the institutions concerned do not provide a clear strategic direction for their catering business.

Strategic policy framework

Within this group, only three out of 23 catering services (13 per cent) have integrated strategic planning arrangements that cover the institution and the catering service. However, a further eight out of the 23 institutions' (35 per cent) strategic plans make specific reference to their catering services. Within the eight catering services, six have subsequently developed a catering strategy/business plan. In turn, five out of the six have linked their catering strategy/business plan to the institution's overall strategic plan. All eight institutions either always or sometimes formally communicate changes that would have an impact on the catering services' business plans.

Half of the HEIs have recognised the value of a policy that supports the in-house provision of catering services. Where this is not the case, external provision usually relates to the provision of hospitality and Student Union catering. For 12 out of 23 institutions (52 per cent) there is a policy requiring catering services to be provided solely by the in-house caterer. In a number of cases, this is also linked to a requirement by the institution that some catering services should be subsidised.

This group generally works without subsidy with a break-even policy. There is some recognition that special events and hospitality are subsidised via an institution's PR events.

In relation to catering policy and business planning, the strengths of this group are in relation to areas under their direct control; for example, performance indicators; service standards; staff training; customer feedback; and informing senior management of financial performance. Weaknesses relate to lack of control of pricing mechanisms. The majority of institutions in this income group have good top-down communication.

Business planning (customers and staff)

The overwhelming majority of catering services recognised the importance of a dialogue with their customers and staff to support continuous improvement in catering services. Within the catering service, these arrangements cover discussing management plans with catering staff; considering and acting upon the points raised by them; undertaking periodic customer satisfaction surveys; and again considering and acting upon the results arising from those surveys. To complement this feedback, catering services ensure that they have up to date competitor information when setting or reviewing their catering plans.

Catering services within institutions realise the necessity to be able to react to short-term opportunities without compromising their longer term catering plans.

Good management practice

In this income group (23 HEIs), benchmarking reviews and measurement are being undertaken. Overall, good management is a feature within this income group. Specific good practice that has been introduced within the sample concentrates predominantly on cost reduction in materials and labour. Little is said about business development.

Staff development and training

Training and staff development appraisal is a particular strength in this group, with 78 per cent of staff having regular reviews. The budget for staff training ranges from 0.3 per cent to 4 per cent of payroll costs, the average being 1.4 per cent.

Institutions with catering turnover between £1 million and £3 million per annum

Management of service delivery

In this group, 19 catering services out of 34 (56 per cent) indicated that they had implemented good management practices from organisations outside the HE sector. A further 11 (32 per cent) indicated that they occasionally implemented good practices, but four out of 34 (12 per cent) replied no to this question.

For 91 per cent of respondents, results arising from customer satisfaction surveys were used in updating the catering plan; examples include modifying products or menus, changes to trading hours, addressing customers' expectation gaps, modifying staff training, and supporting and recommending changes to institution policy.

The survey results showed that 29 out of 34 HEIs have a strategy/business plan, and only one respondent out of the 34 in this section actually stated that no policy or strategy was in place during 2000-01. (However the catering services' intention in this institution was that a strategy would be developed during the forthcoming year.) While 85 per cent of respondents (29 out of 34 HEIs) have a catering strategy/business plan, it is clear from the evidence gained that 97 per cent (33 out of 34 HEIs) in 2000-01 had some form of operational strategy/policy in place, with an indication that in the following year 100 per cent will have a formal strategy/business plan.

A number of institutions identified current issues and concerns:

'When developing new services an analysis of customer attitudes is undertaken to create new products, and new concepts are benchmarked against High Street operations.'

One institution identified the following priorities:

- *.altering existing outlets*
- *offering different ranges of foods*
- *investing capital accordingly*
- *modifying staff training.*

'Recurring themes are identified, actions to address them are built into objectives for the year.'

'As will be familiar in most institutions, the delivery of cash services to the College community is constrained by the academic cycle; the customer base is not constant and is disrupted regularly by placements, reading weeks, examination periods and extended vacations. Cash services are supplemented by internal hospitality and functions, of which some of the most important and regular are corporate, College-sponsored events; and by trade generated through third party hire of academic campuses and residences.'

The development of teams of staff familiar with, and responsive to this specific trading environment, takes time – and experience demonstrates that in-house services are well placed to adapt easily and successfully to the demands for tailored services, at low prices, for limited periods in the year – particularly where the opportunities for generation of income from third parties are limited either by the nature of premises or extent of academic use.'

'With a multi-site campus, and the sites are 30-40 miles apart, economics of scale are difficult to achieve. Economies of scale make the smaller campuses expensive to run. The college has undergone rapid growth in the last five years, and we are therefore developing an updated business plan to cope with this change.'

'Conflict between running a business and providing a service. Price resistance. High funded capital expenditure. Limited footfall. Recruitment/retention of staff.'

Success factors

For this income group, 13 out of 34 (38 per cent) have benchmarked their catering services against other organisations. A further 17 (50 per cent) have indicated that they have done so on a selective and/or periodic basis.

Using a mixture of external and internal measures, 19 catering services (56 per cent) indicated that they had identified how they will measure a successful catering service. To support these actions, 21 (62 per cent) have established critical success factors that are key to the operations of the catering service.

In addition to the critical success factors identified by the previous income group, catering services in this group have identified the following key issues: branding; innovation; forward planning; consultation; staff recruitment and retention, training and development; quality management approach; and measuring performance.

'Modernisation. Two refurbishments of key areas have been critical to developing service. Introducing new concepts and reacting to changes in eating habits. Stronger management of operation.'

'Daily pricing reviews to ensure maximum revenues. Full menu costings and individual function costing to ensure good cost control of food and labour. Installation of new systems to improve communication and devolve responsibility, acceptance by the institution of strategic plans.'

Strategic policy framework
This income category is the largest; 51 per cent of respondents fall within it.

Characteristics of the existing policy and business plans of HEIs in this group are:

- 88 per cent refer directly to customer feedback
- 85 per cent have short to medium term objectives included
- 85 per cent report information to senior management
- 82 per cent have reference to staff training
- 79 per cent have annual performance indicators
- 68 per cent have service level standards defined
- 53 per cent include details on pricing mechanisms
- 41 per cent incorporate waste management into the policy/plan
- 15 per cent include other elements not specified within the questionnaire text, such as SWOT analyses, marketing plans, focus groups, awards and initiatives, hygiene responsibilities.

There is a perception within the sector that catering services have to fulfil two conflicting objectives: to provide a service to the institution, and to be cost-effective providing value for money. There is much anecdotal evidence to suggest that if the provision of a responsive service took priority, this would undoubtedly affect the financial status of the service.

In many cases catering services within institutions do not constitute core business and therefore are rarely referred to in the institution strategy, although 38 per cent of respondents indicate that specific reference is made within the institution strategy to the catering service. On further analysis of the responses it was evident that there is a willingness to link catering strategy to institution strategy; however the link is tenuous and not explicit in a significant majority of responses.

Only 10 of the institutions regularly formally communicate changes that would have an impact on the catering services' business plans.

Overall 19 out of 34 (56 per cent) have a formal policy requiring catering services to be provided solely by the in-house caterer. A number of institutions linked this to a requirement that some catering services should be subsidised.

Of the 34 responses 27 catering services operate an in-house service, which either has a formal policy of sole service provider or recognises sole supplier status through custom and practice. From an operational point of view this practice would justify the capital investment and employment liability made by the institution, thus maximising the opportunity to gain best value from the investment.

In this income band there seems to be a recognition that to allow competition within the institution from an external provider has the potential to be detrimental in not only diverting the income stream but also compromising the cost-effectiveness of an in-house operation. It must also be remembered that the in-house provider usually has to conform to stringent institution policy and procedures, which – particularly in the terms of employment, standards and costs – are substantially different to that of external providers.

In total 12 out of 34 respondents confirmed that there was a policy within the institution to subsidise the catering services. However on further investigation it was unclear whether this policy was financed by the institution or absorbed by the catering service. The majority of responses indicate that in specified circumstances subsidisation of catering services does take place. All referred to subsidising uneconomical services, which support the academic/social requirement of the institution. In providing that service it is implied that the institution recognises that provision of such services overrides any business case.

Where subsidisation is absorbed within the overall catering provision, the best value and cost-effectiveness of that service is compromised in respect of financial performance, lack of motivation and under-resourcing. This adds complexity to the evaluation process in defining whether the service is able to provide value for money, as invariably value for money is equated with financial success.

Within catering services, it is clear that various performance measurements are used extensively to support the operation. This, bearing in mind the income band of £1 million to £3 million, is perhaps understandable given that the majority are sole service providers, are accountable through a variety of key performance indicators (KPI) and are in the main expected to break even or make a contribution. Control, reporting and analysis is more likely to be a requirement within this level of business to support and justify the various complex aspects of managing their customer and cost base.

Business planning (customers and staff)

A majority of the respondents (88 per cent) either regularly or periodically discuss their catering plans with staff. All act upon points raised by catering staff, undertake customer satisfaction surveys and consider or act upon results arising from those surveys. Almost all the institutions in this group (33 out of 34 respondents) actively seek that information, indicating that the sector is aware of the need to possess competitor information when setting or reviewing catering plans.

In total, 65 per cent have a mechanism that actively encourages catering staff to participate in achieving targets which support the business plan. A further 18 per cent indicate occasional staff involvement in the process with 17 per cent not actively seeking staff involvement.

Almost all HEIs (83 per cent) acknowledge the need to include staff at some stage in achieving their strategic objectives; it is possible to link this to the preponderance of quality initiatives such as IIP and Hospitality Assured. This also supports the development of a culture of inclusivity which leads towards a more consistent and committed approach to achieving those objectives.

The issue of culture and sub-culture within an organisation should not be under-estimated, it is well known anecdotally that within the sector decisions can be made that have far-reaching implications based on subjective information rather than qualitative data. One example is the desire to see high street branding within an academic environment without taking into account the financial implications or customer demand.

Good management practice

The preponderance of customer feedback and the increased use of staff input in the decision-making process indicates a widespread trend identifying the need to be more consultative while retaining the balance with financial and resource constraints. Again this leads to a change in culture and an increased commercial awareness from the staff by being better informed, resulting in an increased sense of ownership.

The development of this culture, and the associated ownership by all staff, can easily be undermined at times by the institution's desire to provide a service. This can override any previous financial, operational and cultural objective that the catering service may have been working to, for example, extending the opening hours of a service to support an academic purpose, but resulting in no extra income.

Staff development and training

This area covers implementation and scope of staff appraisals; identification of training needs; investment cost in training.

Of the 53 responses 48 (91 per cent) indicated that training needs had been identified for all catering staff; however only 35 (66 per cent) indicated that their catering staff are covered by regular appraisal or some form of staff review process. These data should be cross-referenced against institutions within this bracket who have obtained IIP or Hospitality Assured accreditation. Despite institutional policies, anecdotal evidence would suggest that catering services operate their own version for staff appraisals and training.

Only five out of 53 catering services indicated that the training budget was a central resource, 13 did not respond to the question. Of the other 35 positive responses, 25 (71.4 per cent) have stated that they allocate less than 1 per cent of total staff costs to training, six less than 2 per cent and only four institutions allocating more than 2 per cent. This is against the industry norm of 3 per cent, and should be referenced against catering services in other income brackets, to establish possible link with accredited catering services.

Institutions with catering turnover over £3 million per annum

Management of service delivery

Seven out of the nine catering services in this group provided an in-house catering operation. The remaining two catering services offered a mixed service delivery, that is, a combination of in-house and external providers.

All catering services within the group had a catering policy or business plan for their services.

Eight catering services out of nine indicated that they had, to varying degrees, implemented good management practices from organisations outside the sector. All had employed some form of benchmarking exercises to assess service delivery and financial performance.

It was noticeable that when reviewing their plans, all catering services within this income group made specific reference to regularly seeking customer opinion on services provided. Two also indicated that they were using the services of consultants to provide advice. Catering services mainly used results from customer feedback to revise food selection, remodel food service areas, adjust opening times and identify staff training needs.

The other main sources used to review plans were:

- visits to other institutions
- competitor analysis (prices and service delivery)
- staff suggestion schemes
- keeping abreast of developments within the industry
- ascertaining projected student numbers
- past performance.

When asked to comment on any other points of relevance, one catering service stated that the setting of customer-focused service standards was paramount to maintaining a sustainable business. Another catering service was urgently addressing a deficit position on its catering activities with assistance from an external consultant.

Success factors

Five out of nine catering services (56 per cent) have benchmarked their catering services against other organisations. The remainder of the group indicated that they had done so on a selective and/or periodic basis.

Using a mixture of external and internal measures, seven catering services (78 per cent) indicated that their service had identified how it will measure a successful catering service. As part of such measures, eight (89 per cent) had identified measures that they regarded as being key to the success of their catering services. One institution was in the process of identifying critical success factors with the support of an external consultant.

Examples of critical success factors provided by the group were:

- high levels of customer satisfaction
- maintaining and improving financial performance
- effective control of labour costs
- a flexible and responsive workforce
- innovation
- ability to respond to changing demands/trends
- maintaining and upgrading facilities to meet increasing customer expectations.

This group also placed significant emphasis on establishing appropriate benchmarks and targets linked to management information and regular reviews.

Strategic policy framework

All catering services within the group had a catering policy or business plan for their services. However, only two of nine institutions' strategic plans made specific reference to their catering service. These two had integrated strategic planning arrangements in place that incorporated the catering service. Of the remaining institutions within this group, all but one had ensured that the catering services had developed a catering strategy that referred to the institution's overall strategy. One was actively working with an external consultant to develop such a strategy.

'I have employed a team of catering consultants to introduce a catering strategy ....the new strategy is being endorsed personally by the VC and it aims to reflect directly the aims and objectives of the institution for the first time.'

All catering services made reference to short/medium term objectives, performance indicators and service levels. Three catering services included all of the indicators identified in the questionnaire within their catering policy/business plans. The remaining catering services made some reference to formal pricing mechanisms, information required by senior management and waste management. A number of catering services also included capital projects within their plans.

Seven (78 per cent) of the catering services in this income group either always or sometimes formally communicated changes that would have an impact on the catering service's business plans. However, it is generally felt that the level of consultation could be significantly improved.

Five out of nine (56 per cent) had a policy requiring catering services to be provided solely by the in-house caterer. Only one catering service, however, had linked this to an agreed policy that certain catering services should be subsidised.

Business planning (customers and staff)

All catering services within the group confirmed that they discussed their catering plans with catering staff, and also took account of comments and suggestions from the catering team. Customer satisfaction surveys were undertaken by all, and appropriate action was taken or built into future plans. Examples given included:

- identifying trends
- reviewing services currently provided
- agreeing action plans
- using external consultants for advice
- benchmarking services against external competitors.

'We take back the results of surveys and deal with comments that give immediate "fixes", then take the other comments on board via our operation meetings and include these comments within longer term development plans.'

All catering services undertook some form of competitor analysis when formulating business plans. Targets are set by all catering services to measure performance, and staff are set specific objectives to assist in the achievement of business goals.

All catering services confirmed that they would take advantage of short-term opportunities, providing that they did not compromise longer term catering service plans.

Good management practice

All catering services confirmed that they benchmark their catering services against other organisations to some degree. In total, 89 per cent confirmed that they had implemented good management practices from organisations outside the HE sector. Examples included:

- improvement of management control systems
- regular review and revision of policies and plans
- introduction of premium products, supported by good quality merchandising.

'Using premium products and a market place pricing strategy has increased gross profit from 53 per cent to 61 per cent.'

'The development of excellent point of sale and marketing techniques in our cash restaurants has resulted in the services improving across all areas, reducing operating costs and improving choice.'

Many of these catering services had achieved external accreditation, which confirmed the implementation of good management practices, for example, Investors in People, Hospitality Assured, Charter Mark.

78 per cent of the catering services ensured that their staff were aware of issues that impacted on the environment, particularly recycling and the efficient use of energy.

All but one catering service, when revising their catering plans, reviewed arrangements with suppliers.

All catering services, to varying degrees, ensured that their staff were kept aware of technological developments within the catering industry. This was undertaken through training sessions, team meetings and newsletters.

Staff development and training

Eight catering services confirmed that they undertook regular appraisals of all staff, and identified training needs for all. Investment in training ranged from 0.6 per cent to 4 per cent of total payroll costs.

Self-assessment checklist

The Catering Expert Working Group has developed for the Policy and Strategy module a self-assessment checklist for managers (see Annex C) to review their catering services operations each year. The questions in the checklist are drawn from the EFQM model and refer to best practice within business. The checklist may be scored to facilitate the tracking of improvements achieved, progress made and so on by catering services.

3 Partnership and resources

Key findings by expert working groups

Overview of purchasing
Information gathered during this study has revealed that food and liquor costs form a substantial part of total expenditure. The relationship of those costs to income is significant (see Annex C, Income and gross profit ratios).

Over a number of years institutional regional purchasing consortia have been established through which commodities can be purchased. Catering commodities are one such group, others include furniture, waste management and stationery.

Through membership of these institutional purchasing consortia it has been possible to negotiate terms on behalf of several universities within a region. A framework agreement allowing individual universities to take advantage of negotiated prices at pre-determined specifications, without having to undergo the process on an individual basis, has proved to be advantageous.

The desire to negotiate a more competitive contract based on volume purchasing has resulted in several regions employing a specialist third party provider who administers all aspects of the contract, with the decision making remaining with the collective universities. For this arrangement to work it is necessary to have some form of pre-contract commitment from the member universities, the principle being that with such a commitment the best possible value may be achieved.

A logical progression from this method of purchasing would be to develop a national purchasing strategy for universities to secure value for money. A group was convened from TUCO to investigate the feasibility of introducing the wider use of national contracts, having already set in place successful contracts for beers, wines and spirits, cider and soft drinks.

Aims of procurement in catering
The aims of procurement in catering may be summarised as follows:

- establishment of a national protocol, with TUCO being recognised as the lead body for catering
- national agreement between the Heads of Consortia Group (HOCG) and the Joint Procurement Policy and Strategy Group (JPPSG)
- national agreements in place that work
- recognition that some purchasing will be better done regionally or locally
- catering groups should be successful in regional purchasing
- third party required to manage value contracts, currently these are supported by volunteers which is unacceptable and unsustainable
- larger contract values, subject to OJEC tendering
- professional expertise required to administer high volume contracts
- reduction in number of suppliers, such as grocery
- future arrangements – continually developing – contract values, mixed contract arrangements, different structures of contracts and specifications

Procurement strategy
In July 2000, TUCO set up a national working group (now TUCO's national purchasing group, NPG) to consider the further development of purchasing nationally for the benefit of TUCO members.

The NPG consists of a member from each of the nine TUCO regions, a representative from the HOCG and a chairman.

The NPG has, by agreement at TUCO annual general meetings or through consultation with members:

- established a relationship with HOCG in matters of purchasing
- agreed that TUCO should act as the lead body for catering commodity purchasing on a national basis
- agreed that HOCG should provide professional purchasing support to facilitate this activity
- agreed that TUCO should engage a third party service provider to provide TUCO's administrative and purchasing support functions.

HOCG has nominated its secretary to TUCO's NPG to act as TUCO's purchasing adviser, and the brief for this role has been agreed.

TUCO has agreed that it will use the national protocol for co-operative procurement prepared by HOCG to determine whether the procurement of a commodity is best suited to an individual, sub-regional, regional, inter-regional or national agreement.

The NPG has been testing the protocol on four commodities. It is planned to use the protocol on all commodities used by TUCO members.

It is the intention of the NPG to tender for national TUCO agreements where the national protocol supports this course of action.

Current national agreements

TUCO currently has four national agreements: beer, soft drinks, cider, spirits and wines; these are widely used by TUCO members.

The national protocol is a process, based on research and consultation, to determine whether the procurement of a commodity is best suited to an individual, sub-regional, regional, inter-regional or national contract.

TUCO's NPG initiates the process by identifying a commodity for consideration. An outline proposal is registered with the HOCG, describing the contract subject and giving details of the group taking the proposal forward. This 'group' is described as a national working party by the protocol.

The national working party consults with the sector by questionnaire to establish, inter alia:

- is there a regional agreement in place?
- potential suppliers
- anticipated short- or long-term benefits or risks of a national contract.

The national working party meets to consider the submissions and, if appropriate, to determine a draft specification.

The national working party now requests information from the supplier database arising from its market research, to evaluate supplier interest in and capability of fulfilling a national contract.

Based on the information gathered during the previous steps, the national working party then either puts together a business case for proceeding with a national contract, or makes an alternative recommendation.

Positive recommendations require the agreement of TUCO's NPG and the formal approval of the HOCG, after which the normal EU tendering route would be followed. Suppliers who expressed an interest in participating would be notified of the OJEC advertisement.

Although a logical progression to national purchasing for consumables may initially appear to be a simple extension of localised arrangements there are hidden complexities which may prove difficult to manage, not least the problem of suppliers able to supply/distribute nationally. Quality assurance issues and food safety issues may limit the number of national suppliers available. This however does not preclude the use of national contracts, which are awarded to regional suppliers – either as sole supply or second supplier, as an alternative to a preferred national supplier – if this proves to be best value.

There is an indication through benchmarking exercises that localised contracts with either individual or small groups of universities are becoming increasingly able to negotiate better value, particularly in areas of fresh commodities – a matter which the NPG will no doubt investigate.

Summary of data gathered

With the knowledge of the purchasing history within universities as a backdrop a questionnaire was devised to ascertain relationships between catering services and suppliers, either external or internal.

A similar pattern across all three income groups was evident from the data received. The national contracts were confined to the liquor and soft drinks items referred to earlier. Many institutions used a combination of inter-regional, regional and local contracts to source their supplies, with very few relying on one in particular.

Comments were invited about perceived advantages of any particular method of purchasing.

Local purchasing

- in the absence of a regional or national agreement, typically this refers to fresh commodities such as fruit and vegetables.
- allows flexibility to source specialist items that have limited or small spend, for example, sushi
- institution policy in place to support local producers
- greater flexibility on delivery times
- personalised service/support
- the ability to negotiate better prices.

Regional and Inter-regional purchasing

- Improved value for money through large-volume purchasing
- minimal individual involvement in procurement process, quality assurance and due diligence
- wider supplier base
- wider product base
- improved negotiating power/problem resolution for members.

National purchasing

- advantages are as for regional purchasing but with greater scope
- opportunities for negotiations or contracts direct with manufacturers
- access to national marketing budgets
- economies of scale with regard to administration
- consolidation of regional contracts for sector consistency
- opportunities to trial new products/innovations.

In order for the contractual relationships to succeed there has to be defined procedures for complaint handling in the event of service failure. In response to what sanctions were available in the event of service failure, almost all respondents stated that there were procedures in place for complaints/compensation. In most cases this was due to the contracts/agreements being managed by a third party, for example, regional consortia.

There were a number of sanctions available in the event of service failure, in particular within regional/national agreements where procedures/clauses in case of service failure are included in the contract.

The following were mentioned by respondents:

a. Vendor assessments were in place to monitor effectiveness of the contract during its lifetime.

b. Sanctions were in place enabling use of another supplier should there be unresolved problems with the contract.

c. Financial compensation was available in some circumstances.

d. A complaints procedure, documented with time-scales for resolutions, was actively used.

Respondents indicated that there were very few agreements with external suppliers which had no procedures in place at all.

Internal suppliers

Responses from the sections on Policy and Strategy and Key Performance Results (KPR) questionnaires indicated that a number of catering services had charges levied against them for internal support services, namely finance, personnel and estates department.

Having identified the internal suppliers, the questionnaire then sought to establish if there were any formal arrangements in place. Potentially these could take the form of:

- service level agreements/statements
- memorandum of understanding
- contracts or others, such as charters
- custom and practice
- monthly/regular reviews.

Responses indicated that service level agreements/statements were the most commonly used (36 per cent), and 14 per cent had a memorandum of understanding. There was no evidence that respondents had entered into formal contracts/agreements with their internal suppliers.

Responses did indicate a number of methods of charging for support functions. There were variations, particularly in the estate department function. 41% indicated that they were charged for maintenance including parts and labour, 14 per cent being top-sliced by the institution for estate services. The remainder appeared not to be directly charged. Where catering services were not part of an academic building there was a possibility that all maintenance charges were met by the catering service. It is recommended that these costs be identified in the Financial Trading Model provided in Annex C.

With regard to HR/personnel services, 31 per cent of respondents were charged for the service. Some respondents indicated that they employed their own HR staff; however they also paid a retainer to central services to provide specialist advice as required.

Top-slicing was reported by the majority of the 45 per cent of respondents that were charged for finance services, as the main method of cost recovery. It was acknowledged that it remains common practice that the catering service produces its own local trading accounts. Institutions' finance systems still did not, in general, meet the requirements of trading operations such as the catering service, with their need for accurate and timely information.

The responses indicated that the decision to cross-charge for other support services was an institutional one and bore no relationship to the income levels of catering services. Of those catering services who were charged for support functions, and had no agreement in place, 65 per cent were dissatisfied with the level of service. Some reasons were:

- poor response times
- lack of flexibility
- low priority given to catering
- monopoly service with no other alternative available.

Six out of 28 had agreements in place, and were charged for the service, and remained dissatisfied with the service, indicating a lack of improvement from the service provider.

Only half of respondents had recourse to a procedure for complaining. With the exception of three respondents, all were required to use the in-house service provider. There was little evidence for catering services to have recourse to look at alternative suppliers.

Drawing from experience, there are lessons to be learnt from the management of external partners that could be applied to services provided by internal partners. For example:

- establishing criteria
- developing specifications
- determining service levels
- monitoring and reviewing the services.

Having internal agreements in place is not sufficient on its own to ensure value for money; there is clearly a need to manage agreements for them to deliver an efficient service effectively. It is essential to avoid the agreement being simply a token document which pays lip service to the idea of partnership agreements in managing resources.

Technology investment and development

Only 14 per cent of respondents included in their catering strategy reference to the development/use of new computer technology. Of the technology employed by catering services the most commonly used were EPOS packages. Several respondents indicated that they had either developed in-house systems or commissioned bespoke packages. In the main the software was supported by the company supplying the software, hardware being supported internally either by the institution or by the catering service.

Responses indicated that purchasing IT software and hardware was funded by the catering service.

In general terms institutions with a turnover of less than £1 million did not appear to use IT in managing their business. The £1 to £3 million group was mixed; however a number of respondents indicated that they were unable to fund the investment required for IT facilities. The £3 million plus group used IT packages extensively across their business. This indicates that the size of turnover may influence the extent of investment in IT supporting the business.

Conclusion

It is clear that structures and procedures are in place and are developing to effectively manage relationships with external partners in order to achieve value for money. However there is less evidence that this is the case with internal partners, despite the fact that charges are increasingly levied to the catering trading account. The ability to achieve value for money is therefore potentially compromised; internal service providers should have effective formalised relationships/expectations documented.

4 Processes

Key findings by expert working groups

The Processes questionnaire was developed for two key processes, identified from a list of important issues received through feedback from previous questionnaires. These were strategic decision-making and staff recruitment. For these two processes, the EWG wished to identify specific arrangements in place within institutions and how they impacted on catering services.

In all, 41 replies were received. The experience recorded suggests that catering services operate in a fast-moving environment, that is commercially orientated, and that they need to be responsive to changing customer demands. The overriding consensus was that policies and strategies determined by institutions were oriented to the core business, with little consideration being given to the impact made on the cost-effectiveness of catering services and other central support services.

Strategic decision-making

It was clear from the responses received that there was little evidence of a 'top down' strategy document, which specifically related to catering services. In most cases these strategy documents were developed by catering service managers reviewing operational aims and objectives, looking at income and customer levels on a year-on-year basis, anticipating financial commitments and constraints, and in the main, endeavouring to become cost-effective. These self-determined operational parameters were adopted either with or without specific reference in institutional strategies.

The responses received to the questionnaire indicated that institutions' expectations of catering services were not documented (44 per cent); this was particularly the case in those HE institutions whose catering income was below £3 million per year.

The questionnaire sought responses to the following:

- How are expectations documented and updated?
- Who is involved?
- What considerations are taken into account?
- What other policies are influential?

The replies received indicated that for a majority of institutions (56 per cent) there was a documented expectation of catering services. The processes by which the expectations of the institution were documented were diverse, ranging from business plans, service level agreements, consultation exercises and reference to institutional strategic objectives. Across all income levels just over half of the respondents stated that there was a documented expectation of the service. Of those, 78 per cent indicated that the head of catering was the most involved, with the director of facilities having the next greatest involvement. The governing committee and the vice-chancellor/registrar were recorded as having the least involvement, with 52 per cent of respondents stating that the finance director was one of the three least involved. This illustrates the wide difference in reporting lines experienced within HEIs and the lack of actual involvement by the senior management team in catering services.

The implication of the lack of involvement of the senior management team is that any documented expectations are formalised at operational level and cascaded upwards for endorsement or approval. The questionnaire sought to discover who within the organisation determines fundamental changes to catering provision. From the 41 responses, 88 per cent indicated that the head of catering was instrumental in determining changes to the service, with the director of facilities also having a strong influence. Respondents indicated that those least involved in determining fundamental change were again the governing committee and the finance director.

The caterer would appear to be the one who determines the operational direction of the service, taking responsibility for fundamental changes and seeking endorsement from the vice-chancellor/registrar for those actions. Three factors are clearly important in driving the institution's attitude towards the catering service; 97 per cent of respondents ranked these priorities in the following order:

- service provision
- cost
- quality/standards.

Factors which appeared to be less influential in driving attitude were:

- impact on the local environment
- previous practice
- resistance to change.

From the viewpoint of respondents the most important factors impacting on the catering service are:

- uneconomical operations
- service expansion
- number of catering outlets.

It is generally assumed that the catering services within HE need to cover costs. The question of service times – whether on a daily or semester/term basis – is a concern for caterers trying to meet that expectation. If the provision has to support the academic programme, by extending opening hours at times when the volume of business does not cover costs, the service may go into deficit. While seen as supporting the core business, the catering provision will not be fulfilling financial expectations. This is a potential cause for conflict and confusion.

The process by which the expectations of the institution were documented was diverse, ranging from:

- business plans
- service level agreements
- consultation exercise
- reference to institutional strategic objectives.

The responses gave little evidence of a top-down strategy document that specifically related to catering provision. In most cases the documents were developed within the catering service itself, reviewing operational aims and objectives, looking at income and customer levels on a year-on-year basis, anticipating financial commitments and constraints, and in the main, endeavouring to become cost-effective. These self-determined operational parameters were adopted with or without approval from institution strategists.

In developing business plans/policies, respondents indicated that several institutional policies and strategies impacted on catering provision. Numerous respondents indicated that there was no consultation during the development process associated with policy and strategy in general.

An indication of the increasing differences in expectations was highlighted by several respondents, who cited the decreasing availability of social space within universities, matched by an increasing expectation for the catering provision to take on board that responsibility. This, done usually without consultation, resulted in catering space being unable to generate income and thus reducing cost-effectiveness.

The development of HR policies was widely commented on, in that they were developed without consideration to income-generating possibilities at weekends and evenings. Conditions of employment placed the catering provision at a competitive disadvantage, since staffing costs meant it was uneconomic to fully utilise the space available at these times. The overriding consensus was that policies and strategies determined by the institutions were oriented to the core business, with little consideration being given to the impact made on the cost-effectiveness of catering services and indeed other central support services.

Staff recruitment

The responsibility for determining the terms and conditions of catering services staff within institutions was identified by 80 per cent of respondents as the director of human resources. The other major influence was identified as being union negotiation. It was evident that heads of catering services had little influence in determining the terms and conditions of their staff in relation to rates of pay, enhancements, sick pay and holiday entitlement.

This was highlighted as one of the major factors influencing the cost-effectiveness of catering services. The terms and conditions in most institutions did not recognise the opportunity to develop and utilise institutional retail trading space outside normal academic periods, such as during weekends and evenings. Responses to the questionnaire revealed that terms and conditions are in the main negotiated nationally. Only one-third of all respondents negotiated these with union representatives. Equally, where there was union negotiation, only one-third of these involved the head of catering services. The ability to compete with other catering locations and maintain cost-effectiveness were factors identified as adversely influencing catering services.

Having identified factors which adversely influenced the catering services' ability to function effectively, respondents were asked to identify areas for improvement. In all, 60 per cent of respondents suggested ways of improving the terms and conditions of their staff. The key themes are:

- involve the catering management in local negotiation/consultation
- pay local market rates for skilled staff in particular
- terms and conditions of catering staff to reflect the need for seven-day, unsociable hour working within a commercial environment
- introduce a relevant pay structure for skilled staff
- have the ability to reward good performance.

A number of contractual variations were presented to respondents, and comments were invited as to the suitability, impact and extent of existing usage within catering services. The responses were as follows:

a. **Flexible working** This was perceived as a positive management tool. However, with large numbers of staff, this was complicated to manage. It does not support work-life balance for certain staff.

b. **Enhancements** The view was expressed that enhanced payments should be removed in favour of better basic rates of pay.

c. **5 working days out of 7** It was felt that this increased flexibility, reduced costs and overtime payment. Again, however, this did not suit all staff.

d. **Holidays** These are seen as generous and are an aid to retention.

e. **Sick pay** This is seen to be a generous condition of employment compared to the private sector. This can be subject to abuse if there is a lack of an effective absence management policy.

f. **Reward schemes, performance related pay, bonus payments** These are not generally in use. Those institutions that do use them acknowledged the difficulty of rewarding individual staff when the outcome was usually due to a team effort.

g. **Pensions** This was seen as a universal benefit and aids the retention of staff.

h. **Annualised pay** Not generally used, but where it is in operation it is perceived as a benefit, particularly to low paid, part-time and term-time staff.

i. **Annualised hours** Again not generally used, but it is popular where it is in use. It reduces overtime payments and meets the peaks and troughs of the business. However, it is complicated to manage.

j. **Overtime** Overtime rewards additional hours and is seen as an essential incentive to encourage staff to cover absences and vacancies. Effective HR policies for absence management and recruitment would reduce the need for overtime and the cost thereof.

k. **Free meals** This is a custom and practice issue within the catering industry. It has tax implications and can be seen as being unfair by other staff within the institution.

l. **Subsidised accommodation** This is not widely offered as a term and/or condition. It is costly but is a good recruitment tool. This also has tax implications.

When asked if the terms and conditions of employment restricted the ability of catering services to recruit and retain staff, there was an acknowledgement that, in general, institutional terms and conditions are advantageous to catering staff when compared to the private sector. However, for skilled staff the rates of pay assist in neither the recruitment nor the retention of the right calibre of staff. For manual staff, respondents indicated the need to pay local market rates.

Some respondents indicated they were paying more than they needed, and others were failing to recruit and retain staff. The inflexibility of the institution's terms and conditions had a direct effect on catering staff recruitment and costs.

Respondents were asked to identify those key factors which would most improve business performance. These were:

- capital investment in facilities
- ability to change the terms and conditions of catering staff
- increasing external business
- reducing internal competition
- improving the management of sickness and absence
- having the remit to make more commercially based decisions
- for the institution to consider the impact of academic decisions on catering services
- investment in IT.

When asked to give examples of good practice, the following were suggested:

- investment in IT
- accreditation in IIP and Hospitality Assured
- staff appraisal, training and development
- reward schemes for staff
- customer feedback
- development of brands.

Conclusion

The majority of responses referred to lack of involvement, and the absence of understanding about the impact that other policies and strategies have on catering services. The conflict between the expectations of being a service provider and a cost-effective operation, and the susceptibility to changes in emphasis of purpose through lack of a strategy, were all highlighted by respondents.

The actual adoption and implementation of a catering strategy, whether developed by the institution or by the catering service for endorsement and implementation, was a suggestion proposed by the majority of respondents. The need for strategies and policies forms a fundamental part of the EFQM model, as well as Hospitality Assured and ISO 9000, which champions best practice for organisations. Establishing strategies within institutions for the provision of catering at the outset would give focus and direction to a service acknowledged as being compromised by the lack of definition between service provider (regardless of cost) and a cost-effective service.

The presence of formalised and documented strategies indicates a commitment to a level of service and performance, which can be measured and tested. It should facilitate:

- a focused operation
- the recognition of weaknesses
- opportunities for quality improvements
- better use of resources
- a better performing service-oriented organisation.

The responses to the various parts of this study indicate a substantial amount of good practice within HE catering services, matched with an ability to be flexible and a desire to be professional in providing a service. There is a clear reluctance to document catering standards and procedures, and the evidence indicates that catering services within the HE sector are capable of operating with a degree of success without extensive documentation. In establishing value for money there should be a fundamental requirement to have operating documentation in place as well as institutional strategies, so that improvements can be measured and monitored effectively.

5 Key performance results

Key findings by expert working groups

For this module of the EFQM Excellence Model, the Catering EWG used a questionnaire approach. The results of the Key Performance Results questionnaire were then sub-divided, as in previous sections, into three groups based on annual turnover.

Of the 66 institutions that responded to the questionnaire, most had an annual turnover of less than £3 million. Only nine institutions (14 per cent), out of the institutions responding to the questionnaire, generated an annual catering turnover over £3 million.

The issues identified were as follows.

Service provision – scale of operations (food costs/labour costs/liquor costs/other costs)
Trading income varied depending on the size and nature of services offered. Some catering services relied heavily on cash sales or meal plans as sources of revenue, others predominantly on conference and commercial activities. The ability for a catering service to cover its own costs was greatly influenced by the nature of services offered and the level of annual income generated. In smaller catering services (annual income below £1 million), a subsidy was often required to support the service. Catering services in other income groups were either aiming to break even or return a surplus. This however appeared to be very much an institutional decision.

Staffing and related matters
Terms and conditions for catering personnel were a concern mainly for the higher income group of catering services, whose main source of income was from commercial/conference activity. Institutions in this group indicated that centrally determined terms and conditions could have an adverse effect on the profitability of services offered. Terms and conditions featured less significantly where the catering services' income was derived mainly from food sales and meal plans.

Business drivers
Catering services in the highest turnover group were most likely to benchmark their performance against the wider hospitality industry. This was to be expected, given that they derived the majority of their catering income from commercial/conference activity. The Catering EWG found that some catering services were not clear about a method of identifying the gross profit on their different sources of income. Therefore, the Catering EWG has identified catering business formulae for food, liquor, vending, labour and costs, which are at part 6 of Annex C. It is recommended that these formulae be used in conjunction with the Financial Trading Model – Catering services (see Annex C). Using these formulae should benefit catering services by:

- identifying good and poor performance for each source of catering income
- establishing performance targets for future trading periods
- facilitating budget setting.

Pricing strategies and methods
Catering services in the higher income category tended to determine their own pricing strategies, taking into account marketplace pressures. All the catering services in the lowest income group produced basic trading accounts tracing income from cash and credit sales and expenditure from materials, salaries, labour costs and direct overheads. Because of these different approaches adopted by institutions, it is difficult to compare one catering service with another.

Costs were allocated in different ways. Institutions are faced with a choice of either operating the catering service as a profit centre, generating income to support core activities; or as a service provider, requiring catering services to break even or operate to an agreed subsidy. The Catering EWG has developed the Financial Trading Model – Catering services (see Annex C), which provides a standard methodology of allocating costs. Using the model would enable catering services to:

- monitor trading performance from one trading period to another
- report in a consistent way
- benchmark performance with other catering services
- facilitate the development of pricing strategies.

Quality and resources (people and training/technology/best practice)
Catering services in the lowest turnover group were less likely to employ technology to support their catering service than those in the other two groups. One reason for this could be that the level of income did not justify the investment.

Summary of findings

An overview of the survey results for each income group is provided below.

Institutions with catering turnover up to £1 million per annum

All of the 23 catering services in this income category recognised the need to regularly produce trading accounts, and to monitor key areas of income and expenditure.

The range of food costs varied substantially in line with the ability to earn additional profits from areas other than staff and student services. This can be seen in the Income and Gross Profit Ratios (see Annex C). Conference and external catering were used to generate surpluses to contribute towards fixed costs. There were five catering services with between 17 per cent and 28 per cent of their total income generated from this source.

Income from bars, vending and retail operations was spasmodic and generally at a low level. The ability to generate additional income during vacations and other out of hours periods, was often the difference between catering services in this group being able to break even or operate at a deficit.

Institutions with catering turnover over £1 million and up to £3 million

In all, 34 out of 66 catering services fall into this category (51 per cent). This income group represents the majority of catering services within higher education institutions surveyed.

Within this income group, 60 per cent fall in the income range of £1 million to £2 million, and 40 per cent in the area £2 million to £3 million. The primary income source is from cash food sales including café bars, with 87 per cent stating that it was their main source of revenue. For three institutions, conference income was their main activity, with cash food sales the second. Within this income group the highest percentage levels of cash sales were 81 per cent of total income and the lowest 4 per cent. The average level of cash income was 51 per cent. With a large element of income derived from cash food sales, a non-guaranteed source of income, it was evident that a commercial approach was being adopted by many catering services. In a vast majority of cases, the secondary income stream was either commercial/conference or hospitality. Four institutions, however, indicated that student transfers were their secondary source of income. Where hospitality was the secondary income source, the fluctuations of demand required flexibility of operation similar to that of a commercial operator. Within this income group, on average 17 per cent of total income was generated from conference/commercial sources. By individual institution this ranged from 2 per cent to 53 per cent of total income.

The majority of catering services in this income group has not diversified into extending income opportunities through retail sales (shops/mini-markets). Less than 20 per cent of respondents generated more than £100,000 per annum from such activity. Although such activity potentially generates a significant contribution to overall income, the gross margins available from retail operations are significantly lower than catering margins in general. This would suggest the need to establish a viable business case before developing further.

Vending income is generally very low, and not a significant source of revenue. Just over 21 per cent of respondents had no vending income whatever; just over 59 per cent recorded vending income levels under 6 per cent. For the remaining HEIs, vending is estimated as generating anything from 8 per cent to 12 per cent of total income.

Student transfers for halls of residence (student meals) only amounted to just over 9 per cent of total income. This confirmed the growing trend away from providing catered halls of residence. This point is significant in that student transfers offered a stable and almost guaranteed income to catering services. However 50 per cent of respondents had no halls of residence transfers at all. Of the remaining 50 per cent, the student transfers accounted for between 3 per cent and 53 per cent of total revenue. Five respondents indicated that student transfers represented over 25 per cent of total income. Across the income group as a whole, student transfers for halls of residence accounted for 15 per cent of total revenue.

Responses indicated that 34 per cent did not have licensed bar operations. The remaining 66 per cent that did, showed that bar sales represented between 1 per cent and 18 per cent of total revenue. The average for this income group was 5 per cent. Other sources of income include rents, amusement machines, retrospective discounts on purchasing contracts, media services, room hire and commissions.

Institutions with catering turnover in excess of £3 million per annum

In all, nine out of 66 (14 per cent) catering services had an annual catering income in excess of £3 million. Within this income group nearly all catering services generated significant income through commercial/conference catering activities. This ranged from 15 per cent to 51 per cent of total revenue.

Despite falling within the same annual turnover category, there were significant variances in results achieved. Cash income from sales to students ranged from 20 per cent to 64 per cent, with meal transfers contributing up to 44 per cent of total income. In the cases of food, liquor and labour costs against total revenue, there was little commonality in performance. This reflects the results found in the lowest income group. Differing income streams generate different margins, which in turn contribute to overall profitability.

All catering services confirmed that pricing strategy was determined within the catering operation, usually on an annual basis. The majority of catering services worked to a gross margin target when setting prices, but also took into account marketplace pressures.

Detailed findings

The rest of this module considers a number of specific issues related to key performance results for catering services within the three income groups defined earlier, under the following five headings:

- service provision – scale of operations
- staffing and other matters
- business drivers
- pricing strategies and methods
- quality and resources.

The questionnaire distributed consisted of 20 questions, covering issues associated with the areas identified above. The results are based on completed responses received from 66 institutions.

Institutions with catering turnover up to £1 million per year

Service provision – scale of operations

Food costs

Overall food costs varied between 38 per cent and 50 per cent. This variation was affected by pricing policies relating to various sources of income. Commercial and conference income was priced to generate a profit, whereas student catering services were priced to recover costs without generating a significant profit. To support this observation, the two catering services with the highest food costs had high levels of student income. The three institutions with the lowest food costs had a high dependency on external income.

Labour costs

There was no broad commonality between total income and labour cost percentage. Labour costs as a percentage of income ranged between 34 per cent and 67 per cent. This may be the result of catering services having little influence over pricing strategies or rates of pay.

Other costs

There were three other main areas of cost: disposables, equipment maintenance and training. All responding institutions had such costs charged to the catering account. Approximately 50 per cent of respondents also had other costs such as administration, capital equipment, furniture and finance charges charged to the catering account. Approximately 30 per cent of respondents were also charged for estates and utilities. Only two catering services were charged for the space that the catering service occupied.

There was significant variation by institution in what charges were applied to the catering account. The catering industry norm is to expect recovery of disposables, equipment maintenance and training costs; other costs falling 'below the line' would be subsidised by the main company or institution.

Staffing and related matters

People

Unsurprisingly for a labour-intensive industry, salaries and wages made up the major cost area in catering budgets. It was therefore seen as vital to apply good management practice in this area.

The lack of control and flexibility over terms and conditions and pay rates made it difficult for some respondents to compete commercially for conference, banqueting and hospitality business and to react to opportunities for market growth and income generation. Typically, base rates can have a differential in excess of 50p per hour when compared to commercial operators, and enhancements for evening and weekend working are often at time and a half and double time. These would not generally be paid by commercial operators.

Approximately 55 per cent of respondents did not measure staff turnover, which potentially represents a significant outlay in terms of recruitment cost. However all respondents measure attendance. In total 77 per cent of respondents stated they had no input into the terms and conditions of staff they employ.

Business drivers

All respondents knew of, and operated with, key performance indicators. The most common indicators were income and sales data; results from customer satisfaction surveys; and actual performance against budget. Less frequently used indicators included customer numbers; quality audits; employee satisfaction surveys; labour to income ratios; staff retention levels; and service level agreements.

Pricing strategies and methods

Pricing strategy is a critical factor in the food service industry. Of the catering services within this income group, all but one had a pricing strategy. However, 40 per cent had their prices determined by the institution and not the employee directly responsible for the management of the catering service. The remaining catering services had prices set by catering management. In all, 86 per cent of catering services set prices annually, with the remaining 14 per cent reviewing them termly. All but one respondent were able to adjust prices in the event of unexpected market fluctuations or emergency/contingency measures.

Overall, selling prices were determined by a process of cost plus a percentage mark-up and consideration of marketplace competition, which supports the need for benchmarking against competitors.

Quality and resources

People and training

Within the group, the most common award achieved was Investors in People, with 82 per cent of respondents having either achieved the award or were seeking to obtain it. This demonstrated that catering services had a strong commitment to staff training and development and the involvement of staff and customers in the business planning process. Significantly, only one respondent had achieved Hospitality Assured, an emerging industry standard. The cost of achieving this award was probably prohibitive to this income group.

Technology

Only 40 per cent of respondents invested in new technology; it is assumed that this is due to limited revenue budgets and the smaller scale of operation. Of those who did invest, the majority invested in EPOS systems with two catering services using smartcard technology. Evidence shows that investment in this technology is totally dependent on available funding in catering services. It is considered that investment in new technology is beneficial and assists in providing good management control and business information to aid longer term planning.

Best practice

Comments mainly focused on the reduction of costs, mainly through the use of purchasing consortia and improvements in staff flexibility. There was no evidence of income generation initiatives.

Institutions with an annual catering turnover of between £1 million and £3 million

Service provision – scale of operations

Food costs

Overall food costs varied between 20 per cent and 64 per cent, with an average of 58 per cent. This reflected the different margins achieved through different sources of income. Those catering services with the highest food costs have cash sales as their primary source of income; those with the lowest food costs have high income generated through hospitality. This reflected the findings within the other income groups.

Liquor costs

Liquor costs range from 30 per cent to 70 per cent with the average at 60 per cent. There does not appear to be a correlation between cost percentages and total income in any catering service.

Labour costs

The average labour cost percentage for this group was 44 per cent ranging from 25 per cent to 61 per cent. This compares to the CUBO performance indicators for 2000-01 where the mean of central catering is published at 44 per cent. All have cash food sales as their primary income source, with the secondary source being hospitality, student transfers or conferences in equal distribution.

Other costs

The four main costs areas were: disposables, catering maintenance, training and departmental administration. The least likely costs to be incurred are space charging, security and depreciation. Within this income group, three broad approaches towards cost charging were apparent:

a. The first approach employed by 65 per cent of respondents required catering services to recover the costs of disposables, catering maintenance, training, departmental administration and capital equipment.

b. The second approach employed by 33 per cent of respondents recovered all the above costs with the addition of estates maintenance, utilities and furniture.

c. The third group, approximately 2 per cent of respondents, made a contribution not only to those areas already listed but also towards central finance and personnel costs.

It is assumed that the costs attributed to catering services are part of a larger institutional strategic decision or historical practice. Costs allocated to the catering service bore no direct relationship to the income range of the catering services, or the make up of those income streams.

Other costs charged to catering services and not listed above include cash collection services, capital payback, travel, machine rental, vehicle maintenance, uniforms, laundry, marketing, advertising, insurance, bad debts, printing and small catering equipment replacement.

The survey reveals that there is a wide range of costs that this group of catering operations has to cover. There is no consistent approach shown across the sector; the factors influencing the extent of those charges appear to be unique to each institution. It is therefore difficult to assess value for money when benchmarking within the sector.

It is difficult to compare and generalise in this income group when there is such a diversity of income streams and variance in expectations of cost recovery.

Staffing and related matters

Staffing is one of the main costs in all catering services; in the catering services there is an expectation for this high cost area to be monitored and controlled effectively. The results from this income sector indicate that 58 per cent of respondents are able to produce an annual percentage rate of staff turnover per full-time equivalent.

Business drivers

In all, 70 per cent of respondents in this income group had established KPIs to confirm performance and demonstrate improvements to the catering service.

There was a wide range of indicators in place. Quantitative indicators included:

- monthly performance targets/trading period budgets
- food and liquor gross profit percentages
- labour and other cost percentage of revenue
- year on year comparisons
- customer numbers and spend per head
- sales increases in percentage terms
- productivity measurement
- staff turnover and absence statistics
- lost time through accidents
- variation reporting
- contribution/net profit percentages by department and individual cost centres
- staff to income ratio by trading area/activity
- overhead/income ratio by trading area/activity
- CUBO performance indicators as a benchmark
- benchmarking against similar operations in sector.

Qualitative indicators included:

- assessments of service provisions
- surveys
- customer 'surgeries' and customer feedback
- achievement of training plan objectives
- health and safety audit results
- achievement of strategic development plan
- achievement of service level agreements
- skills matrix
- competitor benchmarking on prices
- assessment against quality initiatives.

Eighty per cent of those with sales of less than £2 million indicated that no key performance results were in place, a surprising result given the nature of income streams and the range of catering facilities provided. It would be speculative to suggest, however, that the absence of indicators to measure performance was due to low income levels, or that the catering service in these institutions was less well managed than those employing indicators.

Pricing strategies and methods

The ability to determine the selling price of goods and services in order to cover associated costs is considered an essential pre-requisite in the business world. In determining a pricing strategy, the extent of cost recovery needs to be determined from the outset.

The higher education sector is different to other sectors; there exists many key policies and strategies over which the catering operation has little or no influence or control. In many cases, the catering service is viewed as a service that enhances the staff and student experience, and therefore is only expected to cover costs such as provisions and labour costs. It was noted previously, however, that there is a huge variance, by institution, in expectation of cost recovery. All respondents in the income group had a pricing strategy.

When asked who controls the pricing strategy, approximately 24 per cent indicated that the institution and senior department management determined the strategy. In all, 66 per cent indicated that senior department management took the lead in this area but allowed a degree of control and self determination in developing a pricing structure, with 39 per cent of these indicating that unit management took an active role in determining pricing strategy. The remaining 10 per cent indicate an element of uncertainty in control of pricing strategy.

The majority of respondents (67 per cent) stated that prices were updated on an annual basis. Only 12 per cent indicated that price reviews were undertaken on a term/semester basis. Less than 10 per cent reviewed more frequently than term/semester. Nine per cent used a combination of the three options – changing prices on an ad hoc basis.

All respondents indicated, however, that they had the authority to adjust pricing structures in exceptional circumstances. This would be expected, based on the information gathered on pricing strategy, as all respondents had some degree of ownership/control of the process. This possibly indicates a pragmatic approach by institutions and could be a reflection on the size of the operation.

Most respondents (53 per cent) determined prices by reflecting the cost price of an item plus a percentage uplift, in combination with 'marketplace factors'. Other factors listed as being pertinent in determining price changes were:

- the market capacity/ability to absorb price increases
- raw material costs

- customer price sensitivity and perception of the service
- individual unit margins based on sales mix
- benchmarking with competitors
- market tolerance
- the need to give value for money
- service levels
- TUCO price benchmarking
- vending provision
- loss leaders and the degree of subsidy either from the institution or through cost absorption by catering.

Quality and resources

Increasingly, there is a desire among catering services to improve business and operational performance, through benchmarking with colleagues within the sector/industry, or against national quality initiatives.

The majority of respondents (58 per cent) in this group had either achieved, or were seeking to achieve Investors in People status. In addition 33 per cent had achieved, or were looking to achieve, other industry-recognised standards, such as Welcome Host, Food Safety Awards, Chartermark and EFQM. The Hospitality Assured standard was being sought by only 18 per cent of this group, which may reflect the cost attached to such accreditation.

However, many of the substantive criteria of EFQM – such as senior management commitment to improvements in catering services, and the inclusion of catering services objectives in institutions' strategies, the setting of objectives, the determination of operating criteria – are not found in institutions' documentation or strategic plans. From comments received it appeared that catering services endeavour to 'fit' their strategic plans with those of the institution, rather than be included within the institution's strategic plan.

There was a general willingness to share information and good practices across the sector. Some examples quoted in responses are:

- purchasing activities through consortia, for example TUCO
- computer-based administration
- computerised stock-taking and calculation procedures.

Institutions with catering turnover in excess of £3 million per annum

Service provision – scale of operations

Income

There was substantial variance on income generated through conference and other commercial catering activities. To a large degree this could be determined by the availability and quality of facilities for such events. There were three catering services whose income from such activities accounted for between 30 per cent and 40 per cent of total catering revenue. A further five catering services had conference and catering revenue accounting for between 10 per cent and 20 per cent of total catering revenue. It was evident that those catering services with catering turnovers in excess of £3 million had busy conference/commercial operations.

All but one catering service operated some form of catering to student halls of residence for which payment was credited. In three catering services this transfer of funds accounted for least 20 per cent of turnover, with one of these institutions reporting that it accounted for 44 per cent of total catering revenue. It was noticeable that those institutions that reported high levels of transfer of funds from halls of residence had lower levels of trading through 'pay as you eat' operations. Conversely, those with higher levels of food sales had little or no transfers from halls of residence.

Food sales to staff and students through catering outlets as a percentage of total revenue varied considerably. The highest level of cash food sales was 64 per cent of total sales and the lowest 13 per cent. One catering service reported that no cash food sales took place.

Income from retail operations such as shops also accounted for a significant volume of revenue for some catering services. Six catering services provided some form of retail operation. In the case of one catering service this accounted for 26 per cent of total revenue. The average for those providing retail operations was 12 per cent of total revenue.

Not surprisingly, vending accounted for only a small element of the total catering revenue on the whole. Two catering services did not have any vended services. Of the other seven catering services, the highest return showed 7 per cent and the lowest 1 per cent. The average was 2 per cent of total revenue.

All but one institution operated licensed bars. The highest reported turnover as a percentage of total revenue was 20 per cent and the lowest 5 per cent. The average within the group was 14 per cent of total catering turnover. Catering services reported other sources of miscellaneous income that on average accounted for approximately 2 per cent of total revenue. These sources included shop rents, pool table and games machine income, room hire and retrospective discounts.

Food costs

There was a significant gap between food costs reported by catering services. The highest food cost was 58 per cent of food sales and the lowest was 36 per cent – a variance of 22 per cent. The average was 44 per cent.

Liquor costs

A similar pattern was apparent with liquor costs. The highest liquor costs was 62 per cent of liquor sales and the lowest was 31 per cent – a variance of 31 per cent. The overall average was 42 per cent.

Labour costs

The highest labour cost as a percentage of total income was 57 per cent and the lowest reported was 27 per cent – a variance of 30 per cent. The average labour cost was 41 per cent.

Other costs

The degree of other costs applied to the catering account showed a lot of divergence. All catering services incorporated disposable items and the vast majority incorporated furniture, maintenance and training costs. Approximately two-thirds of catering services incorporated the cost of utilities, capital equipment and security. Only one catering service was charged for depreciation. No catering service was charged for space.

Accepting the wide divergence of policy towards 'other costs' applied to the catering account, the lowest figure was 9 per cent of total income and the highest 19 per cent. The average was 13 per cent. Other costs charged to some catering services included:

- interest on capital
- contract cleaning
- stock-taking fees
- vehicle costs.

Staffing and related matters

In all catering services, it was found that the terms and conditions for all staff were determined centrally by the institutions. Catering management had little influence despite direct responsibility for a large workforce.

Annual staff turnover levels identified a range of 11 to 18 per cent for manual grade staff, whereas the range for managerial staff was from 0 per cent to 11 per cent. The highest turnover for both manual and managerial staff was at an

HEI in a city centre location. The current staff turnover rate in the hospitality industry is approximately 40 per cent. These comparatively low turnover rates may reflect the generally more favourable terms and conditions offered in the HE sector.

At the end of financial year 2001-02, vacancies for all catering posts ranged from 1 per cent to 18 per cent. By January 2002 this range had reduced from 1 per cent to 12 per cent. The highest percentage of vacancies were recorded at a city centre campus.

Staff absence and attendance rates were recorded and measured in almost all catering services. Either computerised or manual records were maintained.

Business drivers

Key performance results were identified in seven of the nine institutions in this group. The group identified a range of business drivers, which included:

- customer feedback by means of 'mystery shoppers', annual student surveys, guest questionnaires, customer satisfaction surveys, customer complaints
- profitability – gross profit ratios for food and liquor, Sales per m^2 and meals per m^2, production cost per meal, labour cost to sales ratio, annual sales growth
- staffing costs – sickness absence, labour turnover, cost benefits of training
- external measurements/accreditation – Hospitality Assured, Investors in People, quality audits, external specialist audits, market research, benchmarking against CUBO statistics.

Pricing strategies and methods

All nine catering services within the group reported that they had in place a pricing strategy. All nine institutions also confirmed that such a policy was determined by the catering operation and not by the senior management of the institution.

In two HEIs' catering services, pricing was determined solely by senior management within the catering operation. In the remaining seven, pricing was determined by both senior and unit catering management. Seven HEIs reviewed prices on an annual basis, while two reviewed prices on either a termly/semesterly basis or more regularly. All catering services confirmed that prices were reviewed in the event of exceptional market circumstances.

In their approach to pricing, all but two catering services adopted a cost-plus methodology. All catering services indicated that they took into consideration what the marketplace was charging for similar products. Other factors mentioned by respondents were:

- gross margin targets
- student meal plans.

Quality and resources

Quality initiatives achieved within this group include Hospitality Assured (56 per cent), and Investors in People (100 per cent). Other significant awards had been achieved which reflected recognition of quality service within the wider hospitality industry.

EPOS systems were used by seven of the catering services in this group, with five of the nine using smart/cashless cards within the catering environment. Computerised stock control systems are used in six of the catering services. This is a higher percentage than in the other two income groups.

Other IT solutions used within this group included:

- hospitality reservations systems
- time and attendance system
- financial and HR links to the institution's main software systems.

The level of use of this technology is significantly higher in this group than in those with lower annual revenues, reflecting the level of investment required in purchasing and implementing such technology.

Self-assessment checklists

The Catering Expert Working Group has developed a Key Performance Results self-assessment checklist (see Annex C) for managers to review their catering operations each year. The questions within the checklist are drawn from the EFQM model and refer to best practice in business. The checklist at Annex C may be scored using the simple scoring system indicated. This will facilitate the tracking of any improvements and progress made by the catering service.

6 People results and society results

Key findings by expert working groups: People results

As a people-oriented business, catering services are used to working with staff and customers; 67 per cent of all catering services responding have achieved Investors in People status. The findings reported in the policy and strategy section show that business plans widely include reference to feedback from customers and staff alike.

Other significant outputs

Development schemes are in place in most catering services in HEIs; this shows there is recognition of the skills shortage in the hospitality industry and helps to retain those with specific skills within the sector.

Communication is generally very good. Staff views and opinions are highly valued and are sought regularly. The formality of the approach taken increased as the services became larger.

Staff satisfaction is measured in 25 per cent of the services. Issues most commonly asked about are working conditions, health and safety, hours of work, and training. These are all, to a large extent, areas over which catering management has most influence. The least measured are holidays, job security, and rates of pay. These are areas where the institution has the most direct influence.

Review and recognition schemes are in place in the majority of the sector. These are relied on to motivate and retain staff, rather than terms and conditions over which there is no direct influence. Coupled with this, there is evidence that the benefits of empowerment of staff are recognised, but not necessarily implemented.

Sickness absence levels are monitored and measured, but it is evident that little action is taken by institutions to address this issue; this would not be acceptable in the private sector. Sickness absence is costly, as absence frequently has to be covered to maintain service levels. This cover is often provided at premium rates, or by the use of agency staff. It is also highly demotivating to those staff who do not abuse the generous conditions that exist.

Conclusion

Where catering services have direct influence on policies, processes and strategies it is done well, and there is evidence of continuous improvement. However, where influence is low, the results are less successful.

Key findings by expert working groups: Society results

The greatest impact that catering services have on the local community is that of employment. The high number of part-time posts available is particularly attractive to people locally. The additional fact that catering services have a good record in training and development means that the indirect benefit to the community is significant. *'We offer major employment opportunities to the community.'*

Other significant outputs

Recycling is undertaken by 86 per cent of catering services. This recognises the impact that waste materials have on the local community. The following are the more regularly recycled items by catering services:

- oil 72 per cent
- paper/card 57 per cent
- glass 72 per cent
- cans 50 per cent.

'Lack of space and local council no longer encourages recycling.'

'We turn our food waste into fertiliser.'

Energy policies are in place, with 40 per cent of the sample stating they measured usage year on year.

'There is a lack of information on energy usage.'

Where there are bar facilities close to the local community, liaison and monitoring groups have been established by 65 per cent of respondents.

Local purchasing is undertaken only by a small number of those responding. Other sections of the study support this view, with most institutions acknowledging a strong commitment to national, inter-regional and regional purchasing initiatives.

Charitable support is at a similar level to that found in the private sector. Local good causes are often supported.

Conclusion

The largest impact on the local community of catering services is employment that offers a substantial number of part-time posts with perceived secure employment packages, which suits local residents.

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7 Customer results

Key findings by expert working groups

For the Customer Results module, the Catering Expert Working Group (EWG) used information and comments from previous questionnaires to establish the specific measures/indicators used by institutions to monitor customers' demand for and satisfaction from catering services.

Strategic drivers

Two important elements embedded in institutions' catering services are mission statements and commitments to customers against defined service levels. The latter have been widely adopted by catering services in institutions, and many encourage better customer relationships and greater understanding of customer requirements by explaining how in-house catering services work and what is expected of them.

Customer care policies and systems

There are many examples of 'best practice' in operation within catering services for customer care. Nearly all the institutions participating in this study recognised the benefits arising from operating 'customer feedback' systems. Typically, these systems involve the use of questionnaires, face to face interviews, customer comments forms, focus groups and various committee formats. 87 per cent of catering services replying used the feedback obtained from these systems to develop their business plans; others indicated how comments from their customers were used to introduce changes in service operations.

Within those catering services with lower levels of turnover (under £1 million per year) there appeared to be less formal processes for obtaining customer feedback, such as compliments and complaints, customer comment cards. Responses obtained were therefore more likely to be reactive and often conducted face to face, for example exit interviews.

Industry standard – quality assurance processes

A significant number of catering services in the highest income group (annual turnover over £3 million) were working towards achieving standards within Hospitality Assured – Standard of Practice (see part 7 of Annex C). This requires a strong and measured customer focus. This new standard now sets itself alongside the EFQM model and, as it is a cross-industry standard, it is possible to benchmark both internal and external service providers. Many catering services also provide Welcome Host training for their staff.

Those catering services that have been able to afford to undertake achievement of Hospitality Assured are likely to benefit from the disciplines that gaining and retaining the award bring about. The cost of this is circa £6,250 in the first year (£3,750 subsequently) and is likely to be prohibitive to smaller catering services. However if catering services adopt methods of good practice and measure success as a result of responding to customer comment, benefits should be achievable.

Other external benchmarks are also in use. The Investors in People initiative has been achieved, or is awaited, by 76 per cent of institutions responding. This award does not emphasise 'customers'; it is more allied to the people within the services. The benefit to the customer, therefore, is derived more from an effective catering workforce.

Response to high street developments

The results of the study also revealed that a high proportion of catering services, from all income groups, recognise the need to respond to high street trends. Competition is acute for many city-centre HE catering services, and the need to 'brand' catering outlets has grown. A number of catering services have responded to this challenge by introducing branded catering outlets, such as the concept of Grab & Go coffee shops, and a movement away from traditional two and three course meals. Those interviewed indicated that the introduction of catering services that reflected high street levels of quality increased sales by up to 30 per cent, and also increased levels of customer satisfaction and loyalty.

Annex A

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'Investment decision making: a guide to good practice' (HEFCE 2003/17, April 2003)

'Facilities management – improving the management of support services in higher education' (HEFCE 00/14, March 2000)

'Guidance on the procurement of services' (Joint Procurement Policy and Strategy Group, Volumes 1 and 2, September 2000)

'Management information for decision making: costing guidelines for higher education institutions' (HEFCE M13/97, July 1997)

'Rewarding and developing staff in higher education: a guide to good practice in setting HR strategies' (HEFCE 02/14, March 2002)

'Risk management – a briefing for governors and senior managers' (HEFCE 01/24, April 2001) and 'Risk management – a guide to good practice for higher education institutions' (HEFCE 01/28, May 2001)

'Strategic planning in higher education – a guide for heads of institutions, senior managers and members of governing bodies' (HEFCE 00/24, June 2000)

'Whole life costing: a good practice guide' (Joint Procurement Policy and Strategy Group, August 1998)

Annex B

Useful references

Additional information to support continuous improvement processes within a catering service may be obtained from the following organisations:

British Hospitality Association (BHA)
www.bha-online.org.uk

British Quality Foundation (BQF)
www.quality-foundation.co.uk/beta4/index.htm

Caterer & Hotelkeeper
www.caterer.com

City & Guilds
www.city-and-guilds.co.uk

Council for Hospitality Management Education
C/o Professor Yvonne Guerrier
Southwark Campus
South Bank University
103 Borough Road
LONDON SE1 0AA
Tel 020 7815 8150

European Catering Association
www.eca2.gh0.co.uk/

European Foundation for Quality Management (EFQM Excellence Model)
www.efqm.org/

http://excellence.shu.ac.uk/model/actualmodel.asp

Foods Standards Agency
www.foodstandards.gov.uk

Hospitality Assured Standard for Service and Business Excellence
The Brackens
London Road
ASCOT
SL5 8BG
Tel 01344 893857

Hospitality Assured Meetings
www.meetings.org/ham/index.html

Hospitality Training Foundation
www.htf.org.uk

Hotel and Catering International Management Association (HCIMA)
www.hcima.org.uk

Investors in People UK
www.iipuk.co.uk

The Work Foundation (formerly The Industrial Society)
www.theworkfoundation.com/index.jsp

Institute for Continuing Professional Development
www.icpd.co.uk

International Food Information Council
http://ific.org/

Meetings Industry Association (MIA)
www.meetings.org

Marketing Quality Assurance (MQA)
The Brackens
London Road
ASCOT
SL5 8BG
Tel 01344 882400

Scottish Qualifications Agency
www.sqa.org.uk

Annex C

Checklists and other resources

Pages

Self-assessment checklists and score sheets:

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3 Key performance results 80

4 **Income and gross profit ratios** 88

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Survey questionnaires:

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9 Key performance results questionnaire 98

10 **Cameos:** 105
University of Birmingham
University of Edinburgh
University of Northumbria
Queen Mary, University of London
Sheffield Hallam University
UMIST

1 Leadership and people

Leadership – self-assessment checklist and score sheet

Self-assessment checklists are designed to be used periodically to measure catering services' operations. The objective is to achieve continuous improvement through the development and implementation of an action plan. When completing this checklist users should consider the following guidelines:

a. To make the most effective use of this self-assessment checklist refer to section 1 in the main text of the toolchest, particularly the part about implementation.
b. In recognising the barriers to scoring '4', it is important to identify those within catering services' control as opposed to those outside of catering services' control.
c. It is important to document those identified barriers within any action plan to highlight issues which impede implementation of best practice.

In the areas of Leadership and People Management, most of the opportunities for improvement lie within the control of catering services, because the main focus of these areas is the inter-relationship between management and staff.

Leadership – Self-assessment checklist

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.	**Commitment**					
1.1	Do you know what the catering services' key performance results are and do you publish, measure and review these?					
What do you assess? (Eg, staff costs, staff turnover, food costs)						
Points for action						
1.2	Do you have a clear way of developing, communicating,					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
	reviewing and updating the catering services' plans?					
How is this achieved? (Eg, regular performance reviews)						
Points for action						
2.	**Involvement**					
2.1	Do you communicate the aims and objectives to catering staff? (Eg, reports and business plans)					
Points for action						
2.2	Do you lead by example?					

<table>
<tr><th></th><th></th><th>Not at all
(Score 1 point)</th><th>Sometimes
(Score 2 points)</th><th>Often
(Score 3 points)</th><th>Always
(Score 4 points)</th><th><i>Points scored</i></th></tr>
<tr><td colspan="7"><i>How is this done? (Eg, do you 'walk and talk'; are you accessible to your staff – 'open door' policy; do you make regular visits to campus catering outlets and discuss issues and concerns with staff?)</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
<tr><td>2.3</td><td>Do you have ways of keeping your people informed of key performance indicators?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How is this done? (Eg, via newsletters, meetings, notice-boards, one to one meetings, personal plans)</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
<tr><td colspan="7">3. Motivation</td></tr>
</table>

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
3.1	Do you assist employees to attain their personal targets and objectives?					
How is this managed? (Eg, personal development plans and reviews)						
Points for action						
3.2	Do you recognise individual and team performance?					
How is this monitored? (Eg, performance bonus reward)						
Points for action						
4.	**Relationships**					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
4.1	Are you able to develop a close relationship with stakeholders?					
How is this achieved? (Eg, meetings and/or partnerships)						
Points for action						
4.2	Do you meet with customers to discover and respond to their demands and needs? (Eg, questionnaires, focus groups, surveys)					
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
5.	**Continuous improvement**					
5.1	Do you have a systematic and clear way of managing processes in all areas?					
How is this achieved? (Eg, standard procedure manuals, common standards)						
Points for action						
5.2	In your opinion, do you act as a role model for excellence? (Eg, best practice, benchmarking with excellence models)					
Points for action						

<table>
<tr><th></th><th></th><th>Not at all
(Score 1 point)</th><th>Sometimes
(Score 2 points)</th><th>Often
(Score 3 points)</th><th>Always
(Score 4 points)</th><th><i>Points scored</i></th></tr>
<tr><td>5.3</td><td>Do you challenge existing procedures and develop alternatives?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How is this done? (Eg, review of outdated practices)</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
</table>

Leadership – score sheet

Catering managers may find it useful to track the year on year progress achieved by their catering services under the self-assessment elements identified in the checklist.

	Previous year	**Current year**	**Supplementary notes, comments and actions**
	Total points	*Total points*	
1. **Commitment** *(1.1 to 1.2)*			
2. **Involvement** *(2.1 to 2.3)*			
3. **Motivation** *(3.1 to 3.2)*			
4. **Relationships** *(4.1 to 4.2)*			
5. **Continuous improvement** *(5.1 to 5.3)*			
Totals			

People management – Self-assessment checklist and score sheet

Self-assessment checklists are designed to be used periodically to measure catering services' operations. The objective is to achieve continuous improvement through the development and implementation of an action plan. When completing this checklist users should consider the following guidelines:

a. To make the most effective use of this self-assessment checklist refer to section 1 of the toolchest, particularly the part on implementation.
b. In recognising the barriers to scoring '4', it is important to identify those within catering services' control as opposed to those outside of catering services' control.
c. It is important to document those identified barriers within any action plan to highlight issues which impede implementation of best practice.

In the areas of People Management and Leadership, most of the opportunities for improvement lie within the control of catering services, because the main focus of these areas is the inter-relationship between management and staff.

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.	**Empowerment**					
1.1	Are employees supported and encouraged to contribute their ideas for the improvement of catering services?					
How is this achieved?						
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.2	Are catering employees supported and encouraged to participate in improvement activities?					
What arrangements are in place and are they effective? For example, are in-house meetings and ceremonies used to encourage involvement of people in continuous improvement?						
Points for action						
1.3	Is a culture created within catering services whereby staff can exercise their initiative and take independent decisions?					
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.4	Does the catering service actively ensure that this increased empowerment is without significant risk to its services?					
How is this done? Can the catering service demonstrate how it is ensuring that its employees are becoming increasingly empowered to act and take responsibility for decisions and changes?						
Points for action						
1.5	Do employees recognise how far they are empowered to take action and make improvements/changes?					
How is this achieved?						
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
2.	**Planning**					
2.1	Are strategies involving employees developed to align with overall catering policies and plans?					
How effective are these arrangements? For example, are the employee strategies of catering services (eg, recruitment, training, development, disciplinary, terms and conditions) directly derived from the needs of its strategic plans and goals (rather than just activities or free-standing plans, based on ad hoc needs)?						
Points for action						
2.2	Is people management reviewed and improved?					
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
2.3	Are the employee strategies of the institution at odds with the operational requirements of its catering services?					
Points for action						
2.4	In developing employee strategies, do you take into account the current and future needs of the catering service?					
How often are these reviewed?						
Points for action						

<table>
<tr><th></th><th></th><th>Not at all
(Score 1 point)</th><th>Sometimes
(Score 2 points)</th><th>Often
(Score 3 points)</th><th>Always
(Score 4 points)</th><th><i>Points scored</i></th></tr>
<tr><td>2.5</td><td>Does the catering service identify the knowledge and competencies it requires for the business?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How do catering managers use that knowledge to develop plans to recruit and retain staff?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
<tr><td>2.6</td><td>Is employee knowledge/expertise used systematically for the good of the business?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How is this managed?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
</table>

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
2.7	Does the catering service identify 'key expert employees'?					
Points for action						
2.8	Have the necessary skills and experiences been identified?					
How are these attributes developed in line with business growth for catering services?						
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
2.9	Does the catering service have the flexibility to retain the key experts within its business?					
How successful has the catering service been in achieving this to date?						
Points for action						
3.	**Communication**					
3.1	Would employees, if surveyed, agree that they are well informed and that their opinions are valued?					
How are opinions obtained and considered? For example, Is there a communications policy?						
Points for action						

<table>
<tr><th></th><th></th><th>Not at all
(Score 1 point)</th><th>Sometimes
(Score 2 points)</th><th>Often
(Score 3 points)</th><th>Always
(Score 4 points)</th><th><i>Points scored</i></th></tr>
<tr><td>3.2</td><td>Does the culture of the catering service encourage employees to suggest improvements?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How are suggestions obtained and considered? To what extent have suggestions been successfully adopted/implemented to date?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
<tr><td>3.3</td><td>Is information readily available to enable catering staff to do their job when they need it?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>What information is available for catering staff? For example, staff handbooks (institutional and catering services), product information manuals, written procedures, opening times</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
</table>

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
3.4	Is this information accessible online by catering staff (to facilitate access, updating etc)?					
Points for action						
3.5	Is this information widely available and easily understood by catering staff?					
How often is it reviewed and updated?						
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
3.6	Does the catering services' culture encourage good teamwork through open and constructive communication?					
How is this assessed and reviewed?						
Points for action						
3.7	Do catering services' plans include employee surveys, or other means of understanding employees' views?					
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
3.8	Are there effective mechanisms for communicating bottom up, top down and across the catering service?					
How is this achieved and are the mechanisms regularly reviewed and improved?						
Points for action						
4.	**Development**					
4.1	Are new approaches sought to improve the way that catering services' employees are managed?					
What improvements have been adopted/implemented?						
Points for action						

<table>
<tr><th></th><th></th><th>Not at all
(Score 1 point)</th><th>Sometimes
(Score 2 points)</th><th>Often
(Score 3 points)</th><th>Always
(Score 4 points)</th><th><i>Points scored</i></th></tr>
<tr><td>4.2</td><td>Are regular performance reviews conducted?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>Who undertakes such reviews and at what intervals?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
<tr><td>4.3</td><td>Do catering employees have training and development plans that match their needs?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How is this achieved? Are these plans regularly reviewed and updated in consultation with catering employees? What suggestions have been successfully adopted/implemented for improving the creation of these plans?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
</table>

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
4.4	Do employees have an input/involvement in developing working practices?					
What suggestions/improvements have been implemented?						
Points for action						
4.5	Are employees' capabilities improved by providing them with learning opportunities?					
What opportunities have been made available? Have these been successful?						
Points for action						

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
4.6	Are employees supported and encouraged to improve their performance?					
What facilities have been made available? Have these been successful?						
Points for action						
4.7	Are key experts developed and coached so that responsibilities are spread more widely?					
How is this achieved? Has it been successful?						
Points for action						

<table>
<tr><th></th><th></th><th>Not at all
(Score 1 point)</th><th>Sometimes
(Score 2 points)</th><th>Often
(Score 3 points)</th><th>Always
(Score 4 points)</th><th><i>Points scored</i></th></tr>
<tr><td>4.8</td><td>Are employees developed with the business as it changes?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How has this been achieved? For example, are the following mechanisms used:</i>
• <i>succession planning?</i>
• <i>personnel policies – equal opportunities?</i>
• <i>re-grading opportunities?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
<tr><td>5.</td><td colspan="6">Reward and recognition</td></tr>
<tr><td>5.1</td><td>Are quality improvements implemented by catering staff recognised?</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7"><i>How is this achieved?</i></td></tr>
<tr><td colspan="7"><i>Points for action</i></td></tr>
</table>

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
5.2	Are catering staff able to be rewarded?					
In what ways? Has it been successful?						
Points for action						
5.3	Are mechanisms in place to retain catering employees' loyalty?					
In what ways? How successful have these been?						
Points for action						

People – score sheet

Catering managers may find it useful to track the year on year progress achieved by their catering services under the self-assessment elements identified in the checklist.

	Previous year	Current year	Supplementary notes, comments and actions
	Total points	*Total points*	
1. **Empowerment** *(1.1 to 1.5)*			
2. **Planning** *(2.1 to 2.9)*			
3. **Communication** *(3.1 to 3.8)*			
4. **Development** *(4.1 to 4.8)*			
5. **Reward and recognition** *(5.1 to 5.3)*			
Totals			

2 Policy and strategy – self-assessment checklist and score sheet

Self-assessment checklists are designed to be used periodically to measure catering services' operations. The objective is to achieve continuous improvement through the development and implementation of an action plan. When completing this checklist users should consider the following guidelines:

a. To make the most effective use of this self-assessment checklist refer to section 2 of the toolchest and section 1 on implementation.

b. In recognising the barriers to scoring '4', it is important to identify those within catering services' control as opposed to those outside of catering services' control.

c. It is important to document those identified barriers within any action plan to highlight issues which impede implementation of best practice.

Policy and strategy – self-assessment checklist

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.	**Strategic planning**					
1.1	Does the institution's overall strategic plan make specific reference to its catering services?					
1.2	Do the catering services within the institution have a catering strategy(ies) and a business plan(s)?					
1.3	How do the catering services' policies, strategy(ies) and business plan(s) link with the institution's strategic plan?					
1.4	Are the catering services' policies, strategy(ies) and business plan(s) regularly updated?					
2.	**Strategic objectives**					
2.1	Has the institution identified how it will measure a successful catering service?					

		Not at all (Score 1 point)	Sometimes (Score 2 points)	Often (Score 3 points)	Always (Score 4 points)	*Points scored*
2.2	Have critical success factors, key to service delivery and operations, been identified by the institution and the catering services?					
2.3	Do the catering services' policies, strategy(ies) and business plan(s) cover the following: • short to medium term objectives and targets? • risk management arrangements? • investment appraisal procedures? • revenue and capital budgets? • pricing mechanisms? • service level standards? • annual targets and key performance indicators? • contract specifications? • waste management? • staff training and development? • management information?					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
3.	**Good management practice**					
3.1	Does the institution investigate how the best organisations provide their catering services?					
3.2	Have the catering services implemented any good management practices from organisations outside the higher education sector?					
3.3	Have the catering services used the EFQM Excellence Model, Hospitality Assured, IIP, ISO Quality Assurance or other model to assess their operations?					
4.	**Management collaboration**					
4.1	Does the institution formally communicate changes that will impact on the catering services' policies, strategy(ies) and business plan(s)?					
4.2	Are the catering services able to react to short-term opportunities without adversely affecting their longer-term policies, strategy(ies) and business plan(s)?					
5.	**Continuous improvement**					
5.1	Does the institution consider/review its arrangements with suppliers when making or revising the catering services' policies, strategy(ies) and business plan(s)?					
5.2	How do the catering services go about gathering information to update their policies, strategy(ies) and					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
	business plan(s)?					
5.3	Do the catering services ensure that they have up to date competitor information when setting or reviewing policies, strategy(ies) and business plan(s)?					
6.	**Rewarding success/staff development**					
6.1	Are all catering staff covered by an annual appraisal process?					
6.2	Do the catering services regularly discuss their policies, strategy(ies) and business plan(s) with staff, for example, as part of a staff satisfaction survey?					
6.3	Do the catering services consider/act upon points raised by catering staff?					
6.4	Do the catering services ensure that catering staff have targets that will help achieve/deliver their policies, strategy(ies) and business plan(s)?					
6.5	Do the catering services ensure that all catering staff are up to date with environmental issues, eg, waste, re-cycling, energy savings and sustainability issues?					
6.6	Do the catering services ensure that all their staff are aware of technical developments that may benefit the services provided?					
6.7	Are training needs identified and assessed for all catering staff?					

Policy and strategy – score sheet

Catering managers may find it useful to track the year on year progress achieved by their catering services under the self-assessment elements identified in the checklist.

	Previous year	Current year	Supplementary notes, comments and actions
	Total points	*Total points*	
1. **Strategic planning** *(1.1 to 1.4)*			
2. **Strategic objectives** *(2.1 to 2.3)*			
3. **Good management practice** *(3.1 to 3.3)*			
4. **Management collaboration** *(4.1 to 4.2)*			
5. **Continuous improvement** *(5.1 to 5.3)*			
6. **Rewarding success/staff development** *(6.1 to 6.7)*			
Totals			

3 Key performance results – self-assessment checklist and score sheet

Self-assessment checklists are designed to be used periodically to measure catering services' operations. The objective is to achieve continuous improvement through the development and implementation of an action plan. When completing this checklist users should consider the following guidelines:

a. To make the most effective use of this self-assessment checklist refer to section 5 and section 1 on implementation .

b. In recognising the barriers to scoring '4', it is important to identify those within catering services' control as opposed to those outside of catering services' control.

c. It is important to document those identified barriers within any action plan to highlight issues which impede implementation of best practice.

Key performance results – self-assessment checklist

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.	**Performance indicators**					
1.1	Has the institution identified key performance indicators for all its catering services?					
1.2	Are these a part of its catering services' policies, strategy(ies) and business plan(s)?					
1.3	Do they enable catering services to be managed: • globally (all managed cost centres/units)? • individually (per managed cost centre/unit)?					
1.4	Are key performance indicators set for catering services within the annual budget plan?					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
1.5	Have peer HE institutions been identified for benchmarking catering services?					
1.6	Are catering services required to break even?					
2.	**Income generation**					
2.1	Are investment funds made available for catering services to support new income streams?					
2.2	Have key income levels been identified within the overall catering services annual turnover?					
2.3	Do key sources of income include the following (see also the Financial Trading Model, part 5 of this annex): • food (including café bars)? • bars (excluding café bars)? • student transfers (student meal plans – halls of residence)? • hospitality (internal)? • retail (shops)? • vending? • conference & commercial?					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
2.4	Are annual trends in total catering income reported to members of the senior management team?					
3.	**Cost monitoring**					
3.1	Is the percentage to income analysed for the following cost headings (see also the Financial Trading Model, part 5 of this annex): • food? • liquor? • labour *(eg, split between food, liquor)?* • All other costs *(eg, vending costs)?*					
3.2	Are costs matched against income as part of a financial trading model (see the Financial Trading Model, part 5 of this annex)?					
3.3	Are other costs analysed for the following expenditure headings (see also the Financial Trading Model, part 5 of this annex): • disposables*?* • utilities (energy)? • furniture*?*					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
	• capital equipment? • catering maintenance? • estates maintenance? • space charge? • training? • finance? • personnel? • security? • departmental administration? • depreciation?					
4.	**Pricing policies**					
4.1	Are price changes determined?					
4.2	Does the institution have an approved pricing strategy for all catering services?					
4.3	Is the pricing strategy determined in consultation with catering service managers?					
4.4	Are prices updated often?					
4.5	Are prices adjusted in exceptional circumstances?					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	*Points scored*
5.	**Management information and technology**					
5.1	Do catering systems enable management information to be 'shared'?					
5.2	Do catering managers have access to sector related databases, eg, EMS, CUBO?					
5.3	Does the institution invest in up to date technology to support its catering services?					
5.4	Do catering services have effective electronic point of sale, cashless payment methods, eg, smart cards, computerised stock control?					
6.	**Staffing**					
6.1	Are staff attendance/absence records kept?					
6.2	Are these computerised or manual?					
6.3	Is staff attendance/absence (both notified and non-authorised) measured?					
6.4	Are staff recruitment, vacancy and retention rates monitored and reported per catering FTE?					
6.5	Are recruitment and retention policies updated?					
6.6	Are the conditions and terms of employment for catering staff determined?					

		Not at all (Score 1 point)	**Sometimes** (Score 2 points)	**Often** (Score 3 points)	**Always** (Score 4 points)	***Points scored***
7.	**Service standards**					
7.1	Are quality service standards determined and updated?					
7.2	Have catering services achieved nationally recognised awards (such as Hospitality Assured, Investors in People, ISO Quality Assurance)?					
7.3	Have key performance indicators/results (KPI/KPR) been established to support quality initiatives and improvements in the catering services?					

Key performance results – score sheet

Catering managers may find it useful to track the year on year progress achieved by their catering services under the self-assessment elements identified in the checklist.

	Previous year	**Current year**	**Supplementary notes, comments and actions**
	Total points	*Total points*	
1. **Performance indicators** (1.1 to 1.6)			
2. **Income generation** (2.1 to 2.4)			
3. **Cost monitoring** *(3.1 to 3.3)*			
4. **Pricing policies** *(4.1 to 4.5)*			
5. **Management information and technology** *(5.1 to 5.4)*			

	Previous year	Current year	Supplementary notes, comments and actions
	Total points	*Total points*	
6. **Staffing** *(6.1 to 6.6)*			
7. **Service standards** *(7.1 to 7.3)*			
Totals			

4 Income and gross profit ratios

The following data were obtained from the questionnaires returned by participating higher education institutions.

1. Sources of income: Percentage of annual income

	Turnover up to £1 million		Turnover between £1 million and £3 million		Turnover £3 million plus	
	Range	**Mode**	**Range**	**Mode**	**Range**	**Mode**
Food	24 – 81%	40%	0 – 78%	43%	0 – 80%	N/A
Student meals (transfers)	0 – 54%	0%	0 – 70%	0%	0 – 53%	0%
Conference/commercial	4 – 45%	20%	0 – 53%	2%	0 – 40%	12%
Hospitality	1 – 30%	10%	0 – 29%	10%	0 – 26%	10%
Bars	0 – 19%	0%	0 – 18%	0%	0 – 28%	0%
Retail	0 – 25%	0%	0 – 14%	0%	0 – 19%	0%
Vending	0 – 12%	2%	0 – 13%	2%	0 – 10%	2%
Other income*	0 – 3%	0%	0 – 100%	0%	0 – 25%	0%

* Includes supply discounts, rental of equipment and so on

2. Gross profit percentage in respect of food, liquor, labour and other costs

Up to £1 million turnover:

Food	20 – 60%
Liquor	48 – 51%
Labour	25 – 53%
Other costs	8 – 77%

Between £1million and £3 million turnover:

Food	43 – 65%
Liquor	30 – 75%
Labour	28 – 61%
Other costs	6 – 60%

Over £3 million turnover:

Food	24 – 65%
Liquor	50 – 65%
Labour	31 – 57%
Other costs	10 – 64%

5 Financial trading model – catering services

Catering managers may find the financial trading model helpful when determining the different costs to be recovered (or otherwise) by catering services' operations.

INCOME (ex VAT)	**Detail**
Food sales	Can break down further into separate retail items
Bar sales	
Vending	Would be cash from machines and royalties
External functions	Day events may have sub headings for food, bar, other etc
Conferences	Would be the food, bar and other elements of an event
Other	Catchall
TOTAL INCOME	
VARIABLE EXPENDITURE	Expect most trading operations to work to cover these costs and contribute towards fixed expenditure
Salaries & wages – kitchen & dining	
Salaries & wages – bar	
Food cost	Could be broken down further to separate out retail eg, confectionery
Bar cost	Materials
Vending cost	Materials
Cleaning materials	Materials
Laundry & uniforms	
Disposables	
Other expenses	Catchall – could be phones and travel etc
TOTAL VARIABLE EXPENSES	
GROSS PROFIT	
FIXED EXPENDITURE	*These costs would normally be met from the gross profit
Salaries – office & managerial*	
Repairs & renewals*	
Training*	
Capital*	
Loan interest*	
Miscellaneous*	
Rents & rates**	** These costs would usually only be set against operations in the upper income levels
Heat/light/water**	Very variable maybe actual or a contribution
Administration/insurance**	
Depreciation**	
TOTAL FIXED COSTS	**These vary within the three income groups - depending on what fixed costs can be set against the catering trading account**
NET PROFIT	**If achieved, could be used for inward investment**

6 Catering business formulae

FOOD

income from food – cost of food x 100%
*income from food

income from food x 100%
**total turnover

LIQUOR

income from liquor – cost of liquor x 100%
*income from liquor

income from liquor x 100%
**total turnover

VENDING

income from vending – cost of vending x 100%
*income from vending

income from vending x 100%
**total turnover

LABOUR (SALARIES AND WAGES)

cost of labour (food) x 100% Separate % could also be determined for liquor, conferences etc
*income (food)

total cost of labour x 100%
*total turnover

COSTS – VARIABLE AND FIXED

variable costs (liquor) x 100% Separate % could also be determined for food, conferences etc
*income (liquor)

total variable costs x 100%
**total turnover

fixed costs (conferences) x 100% Separate % could also be determined for food, liquor etc
*income (conferences)

total fixed costs x 100%
**total turnover

* Income – from food, liquor, conferences etc
** Total turnover – gross income from all catering services

7 The Hospitality Assured current standard for service and business excellence

(An institution may wish to adapt the following service standard for its catering and other services.)

1. Customer research

The organisation defines customer requirements as a result of the continuous gathering and evaluation of information relating to market needs and competitive activity.

The standard requires that the organisation shall:

1.1 Have a clear picture of who its customers are and where they come from
1.2 Know who its competitors are and what they are doing to enable comparison and improvement
1.3 Have defined methods of continually gathering and evaluating information about its customer needs and the way this impacts on the services provided
1.4 Evaluate market and economic information to define existing and future market sectors

2. The customer promise

The organisation has a clear understanding of the overall customer promise and standards that it intends to deliver and communicates these to customers and employees.

The standard requires that the organisation shall:

2.1 Have a policy that identifies the products and standards of service it intends to offer its customers including terms and conditions
2.2 Define and communicate its service promise to its customers
2.3 Communicate its service promise and standards of service to all people
2.4 Design, develop and deliver its products and services, based on customers' needs and expectations

3. Business planning

The organisation has a business plan that contains clear policies and strategies, which are consistent with its vision, mission and values.

The standard requires that the organisation shall:

3.1 Implement a business plan that contains clear objectives and goals
3.2 Have measures to review its achievement against the business plan
3.3 Set marketing, financial and customer service objectives/targets
3.4 Include customer and stakeholder requirements in the business plan
3.5 Use customer feedback to monitor progress against the business plan
3.6 Set clear human resource, people training and development objectives/targets

4. Operational planning

The organisation has a plan that identifies how the customer service promise is to be delivered:

The standard requires that the organisation shall:

4.1 Have a plan that identifies key people responsibilities for the delivery of service
4.2 Communicate these responsibilities to all people as appropriate
4.3 Evaluate the plan to identify critical stages in the delivery of the services and their resource implications
4.4 Develop procedures for ensuring that purchased products and services meet its service promise
4.5. Identify and manage key partnerships

5. Standards of performance

The organisation has established procedures and standards of performance to ensure that its customer service promise is met.

The standard requires that the organisation shall:

5.1 Design and maintain suitable procedures and standards of performance to ensure that the customer service promise is met through a framework of key processes
5.2 Make people aware of its customer service procedures and standards of performance
5.3 Define who is responsible for issuing, reviewing and revising these procedures and standards
5.4 Implement procedures and standards of performance to comply with current legal, health, safety and environmental regulations
5.5. Provide leadership which demonstrates and encourages high standards of service performance and a culture of excellence

6. Resources

The organisation demonstrates that sufficient resources exist to deliver its customer service promise.

The standard requires that the organisation shall:

6.1 Have procedures for identifying its people, equipment and facilities resource requirements
6.2 Make adequate resources available to deliver the standards of service promised to the customer
6.3. Manage and use appropriate technology to support improvement
6.4. Manage finances, buildings, equipment and materials to maintain delivery of the service promise

7. Training and development

The organisation engages in training and development activities that equip its people with the necessary skills, competence and understanding to deliver its service promise.

The standard requires that the organisation shall:

7.1 Equip its people with the skills and knowledge to provide the service promised to the customer
7.2 Review individual people and management performance to identify and agree any training or support required to ensure that current and future needs are met
7.3 Have measures in place to identify and improve performance and people's perception of their job satisfaction, motivation and development opportunities
7.4 Evaluate the effectiveness of training and development activities
7.5 Involve and empower its people to encourage innovation, improvement and creativity

8. Service delivery

The organisation checks that the service promised to the customer is properly and consistently delivered.

The standard requires that the organisation shall:

8.1 Demonstrate how service performance is measured and assessed to ensure that the service promise is being delivered
8.2 Maintain processes for checking that the service promised to the customer is delivered
8.3 Maintain records to demonstrate best practice in conformance with current legal, health, safety and environmental regulations
8.4 Maintain a process to measure customers' perception of the effectiveness of the service and their satisfaction
8.5 Demonstrate that it achieves its customer satisfaction targets
8.6 Provide appropriate feedback and recognition on individual, team and organisation performance in delivering the service promise to the customer
8.7 Stimulate and encourage collaboration and team effort in the delivery of service excellence
8.8 Have measures in place to identify and improve performance and society's perception of the organisation

9. Service recovery

The organisation ensures that it is aware of and responds to service problems and customer feedback making improvements where necessary.

The standard requires that the organisation shall:

9.1 Have a procedure for taking early action to correct poor service delivery
9.2 Record customer complaints, comments and requests and ensure that corrective action is taken
9.3 Have a process in place to keep customers regularly informed of progress relating to their complaints, comments and requests
9.4 Take the necessary action to identify the source of any problems and to correct problems in such a manner as to prevent their recurrence

10. Customer satisfaction improvement

The organisation reviews the effectiveness of its service delivery and appropriateness of its service promise to ensure that it continues to deliver service excellence.

The standard requires that the organisation shall:

10.1 Regularly review its service promise to confirm that it continues to meet customer needs and expectations
10.2 Review and improve the effectiveness of all its procedures and processes that deliver the service promise
10.3 Seek suggestions for improvement from customers, shareholders, suppliers and people and implement them as appropriate
10.4 Seek opportunities to benchmark and identify best practice within its industry sector

11. Costs

11. The initial cost of Hospitality Assured is £6,250, and subsequent costs (renewal) amount to around £3,750.

8 Policy and strategy questionnaire – catering services

Name of institution: ....

Contact name: ....

Job title: ....

Tel: ....

E-mail: ....

Main responsibilities (brief description):

This questionnaire should be completed by Head of Catering Services in collaboration with the relevant member of the senior management team, to ensure that issues and concerns relating to policy and strategic considerations are fully identified.

		Yes	No	Sometimes
1	Does the institution overall strategic plan make specific reference to its catering services?	☐	☐	☐
	Does your catering services have a catering policy/business plan?	☐	☐	☐
2	Does your catering policy/business plan link with the institution strategic plan?	Yes ☐	No ☐	
	How does your catering policy/business plan link with the institution strategic plan? Please indicate briefly:			

3	Does the catering policy/business plan include any of the following:	Yes	No	Sometimes
	• pricing mechanisms	☐	☐	☐
	• short to medium term objectives and targets	☐	☐	☐
	• annual performance indicators	☐	☐	☐
	• service level standards	☐	☐	☐
	• reporting information to senior management	☐	☐	☐
	• staff training	☐	☐	☐
	• waste management	☐	☐	☐
	• contract specifications	☐	☐	☐
	• additional – please specify:			
4	Does the institution investigate how the best organisations provide their catering services?	Yes ☐	No ☐	Sometimes ☐
5	Have your catering services implemented any good management practices from organisations outside the sector?	Yes ☐	No ☐	Sometimes ☐
6	Does the institution consider/review its arrangements with suppliers when making or revising the catering services plans?	Yes ☐	No ☐	Sometimes ☐
7	How do the catering services go about gathering information to update its catering plans? Please indicate briefly:			
8	Are the catering services policies and plans periodically reviewed and revised?	Yes ☐	No ☐	Sometimes ☐

9	Do the catering services regularly discuss catering plans with staff, for example, as part of a staff satisfaction survey?	Yes ☐ No ☐ Sometimes ☐
10	Does the catering services consider/act upon points raised by catering staff?	Yes ☐ No ☐ Sometimes ☐
11	Do the catering services ensure that they have up to date competitor information when setting or reviewing catering plans?	Yes ☐ No ☐ Sometimes ☐
12	Do the catering services ensure that catering staff have targets that will help achieve catering plans?	Yes ☐ No ☐ Sometimes ☐
13	Has the institution identified how it will measure a successful catering service?	Yes ☐ No ☐ Sometimes ☐
14	Do the catering services react to short-term opportunities in relation to their longer-term plans?	Yes ☐ No ☐ Sometimes ☐
15	Does your institution formally communicate changes that will impact on your catering services' business plans?	Yes ☐ No ☐ Sometimes ☐
16	Do the catering services ensure that all catering staff are up to date with environmental issues, eg, re-cycling, green issues, energy?	Yes ☐ No ☐ Sometimes ☐
17	Do the catering services ensure that all catering staff are aware of technical developments that may benefit their catering services? Please give examples:	Yes ☐ No ☐ Sometimes ☐

18	Have critical success factors been identified by the catering service as key to its operations? If Yes, what are these – please indicate:	Yes ☐ No ☐ Sometimes ☐
19	Are all catering staff covered by an annual appraisal process?	Yes ☐ No ☐
20	Are training needs identified for all catering staff?	Yes ☐ No ☐
21	Please use the space below for any other comments/points you wish to make regarding the management of catering services at your institution:	

9 Key performance results questionnaire – catering services

Name of institution: ....

Contact name: ....

Job title: ....

Tel: ....
Email: ....

Main responsibilities (brief description):
....
....
....
....
....

Please note – all information should be based on financial year 2000-01

1	Do you set financial targets: (Please tick)	Yes	No
	a) Globally (ie, for all managed cost centres/units)?	☐	☐
	b) Per individual managed cost centre/unit?	☐	☐
	c) Did you achieve your budget in 2000-01?	☐	☐
2	How is income made up in percentage terms? (Please indicate)		
	a) Vending?	☐ %	
	b) Conference and commercial?	☐ %	
	c) Student transfers (student meal plans – halls of residence)?	☐ %	
	d) Retail (shops)?	☐ %	
	e) Food (including café bars)?	☐ %	
	f) Hospitality (internal)?	☐ %	

2	How is income made up in percentage terms? (Please indicate) (continued)		
	g) Bars (excluding café bars)?	%	
	h) Other income? (Please specify):	%	
	i) Unable to comment/provide information on (a) to (h) above? (Please tick, if applicable)	☐	
3	Total catering income for 2000-01: (Please indicate)		
	a) Up to £1 million?	☐	
	b) Over £1 million up to £2 million?	☐	
	c) Over £2 million up to £3 million?	☐	
	d) Over £3 million up to £4 million?	☐	
	e) Over £4 million?	☐	
4	What is the percentage of cost to income for:		
	a) Food?	%	
	b) Liquor?	%	
	c) Labour?	%	
	d) All other costs?	%	
5	Which of the following are included in all other costs for 2000-01: (Please indicate)	Yes	No
	a) Disposables?	☐	☐
	b) Utilities (energy)?	☐	☐
	c) Furniture?	☐	☐

5	Which of the following are included in all other costs for 2000-01: (Please indicate) (continued)	Yes	No
	d) Capital equipment?	☐	☐
	e) Catering maintenance?	☐	☐
	f) Estates maintenance?	☐	☐
	g) Space charge?	☐	☐
	h) Training?	☐	☐
	i) Finance?	☐	☐
	j) Personnel?	☐	☐
	k) Security?	☐	☐
	l) Departmental administration?	☐	☐
	m) Depreciation?	☐	☐
	n) Other expenditure? – please specify: …………………………………………………………………… …………………………………………………………………… …………………………………………………………………… ……………………………………………………………………	☐	☐
6	Do you have a pricing strategy?	Yes ☐	No ☐
7	Is the pricing strategy determined by (Please indicate – you may tick more than one box):	Yes	No
	a) The institution?	☐	☐
	b) Senior catering services management?	☐	☐
	c) Unit catering managers?	☐	☐

7	Is the pricing strategy determined by (Please indicate – you may tick more than one box) (continued):	Yes	No
	d) Other arrangements/processes? – please specify	☐	☐
	....		
8	How often are prices updated:	Yes	No
	a) Annually?	☐	☐
	b) Termly/per semester?	☐	☐
	c) More often than the above?	☐	☐
9	Are you able to adjust the pricing structure in exceptional circumstances (eg, foot & mouth; potato crisis)?	Yes ☐	No ☐
10	Pricing – changes are determined by:	Yes	No
	a) Cost price plus percentage uplift?	☐	☐
	b) Marketplace (ie, to reflect market research, 'high street' factors, etc)	☐	☐
	c) Other factors/methods – please specify	☐	☐
	....		
11	Is an annual percentage rate of staff turnover (per FTE) available?	Yes ☐	No ☐
	If Yes, please state the percentage for 2000-01 for:		
	a) Managers?	%	
	b) Manual staff?	%	

		Yes	No
12	Are staff attendance/absence records kept?	☐	☐
	If Yes, are the records:		
	a) Computerised?	☐	☐
	b) Manual?	☐	☐
		Yes	No
13	Is staff attendance/absence (both notified and non-authorised) measured?	☐	☐
	If Yes, please give the total number of days absent for each staff category for 2000-01:		
	a) Managers?	days	
	b) Manual staff?	days	
14	Have you achieved, or is the institution seeking to achieve, any of the following awards:	Yes	No
	a) Hospitality Assured?	☐	☐
	b) Investors in People (IIP)?	☐	☐
	c) Quality assurance (ISO)?	☐	☐
	d) Other awards? Please specify:	☐	☐
	....		
	....		
		Yes	No
15	Do you employ up to date technology to support catering services?	☐	☐
	a) For example, do you have electronic point of sale (EPOS)?	☐	☐
	b) Do you use smart cards as a method of 'cashless' payment?	☐	☐
	If YES, please state which cashless systems you use?		
	....		
	....		

15	Do you employ up to date technology to support catering services? (continued)	Yes	No
	c) For example, do you have computerised stock control?	☐	☐
	d) Other technologies? (Please indicate what other technologies, systems, etc, you use)	☐	☐
16	How are the conditions and terms of employment for catering staff determined:	Yes	No
	a) Centrally (ie, by the institution)?	☐	☐
	b) Catering management?	☐	☐
17	How many staff vacancies do you have as a percentage of the total number of catering posts:		
	a) At the end of the financial year 2000-01?	%	
	b) Now, at the end of January 2002?	%	
18	a) Have you established key performance indicators/results (KPI/KPR) to support improvements in your institution's catering services?	Yes ☐	No ☐
	b) If Yes, what KPI/KPR did you identify? Please provide brief details:		

19	a) Have you any examples of best practice where you achieved actual savings or quality improvements to the catering service?	Yes ☐ No ☐
	b) If Yes, please provide brief details of best practice implemented:	
20	Please use the space below for any other comments/points you wish to make regarding the management of catering services at your institution:	

University of Birmingham: University Catering Charter

This Charter establishes what services are available from University Catering and our commitment to our customers.

Service Locations

The catering service is provided at the following locations from Monday to Friday (outside these times by prior arrangement). The opening hours may change without notice. Any changes will be clearly displayed.

Avanti Restaurant - University Centre

A 164 seat fast food restaurant, offering a wide range of food including pizza/pasta deli-bar, salad bar and traditional fayre. A variety of hot and cold beverages is also available all at competitive prices for staff and students.

Term time: 08.00 - 17.30 **Vacation**: 09.00 - 16.00

All No Smoking. These hours may change without notice. Any changes will be clearly displayed.

Go – University Centre

Takeaway facility providing a wide range of sandwiches, pastries, confectionery and speciality coffees. This unit is also open on a Saturday.

Term time: 08.00 - 17.30 **Vacation**: 09.00 - 15.00

Cafe Go – University Centre

A popular Deli Cafe, offering a wide range of, handmade sandwiches made to order, jacket potatoes, speciality coffees, chilled drinks and confectionery.

Term time: 08.00 - 17.30 **Vacation**: 09.00 - 16.00

Saturdays: 10.00 - 15.00

All No Smoking.

Go2 -Teaching Resource Centre

A takeaway facility offering speciality coffees and a limited selection of sandwiches and confectionery.

Term time: 08.00 – 17.30 **Vacation**: 10.00 - 14.00

Food for Thought

A catering delivery service which provides a wide variety of catering to Schools and Departments throughout the day, by prior arrangement. Please ring extension 42834.

Suppliers

We undertake to purchase all our food from reputable suppliers who meet all appropriate food safety standards. All food will be purchased competitively on a value for money basis.

Staff

All our staff will be helpful and courteous to customers and appropriately trained for their duties. Staff will observe the requirements of the food safety policies. We will operate staff rotas to cater for peak demands and limit queues.

Menus

All menus will be regularly reviewed and be appropriate for the service provided and season of the year. We will always offer a variety of hot and cold food at each of our outlets and ensure that a vegetarian choice is available.

We will, as far as is practical, meet special dietary requirements if we are given adequate notice, please speak with our trained staff.

Charges

We operate on a Trading Account basis and shall always aim to provide good value for money consistent with our trading criteria.

Prices for all products (with some exceptions for confectionery) will be clearly displayed at points of service for cash sales.

Medical School

Takeaway facility providing a wide range of sandwiches, pastries, confectionery and speciality coffees.

Term time: 08.30 - 16.30 **Vacation**: 09.00 - 15.00

All No Smoking.

Chicken Joe's at Hole in the Wall - Underneath Staff House

A takeaway facility providing halal kebabs and hot and cold drinks, confectionery and beverages.

Term time: 10.30-15.00 **Vacation:** 11.00-14.00

Physics Coffee Lounge - Poynting Physics Building

Providing beverages and a variety of snacks. Vending machines available outside these times.

Term time: 10.00-16.15 (closed 14.00-15.00), **Vacation:** 10.00.14.00

Cafe Rendezvous – Westhill

A 160 seat restaurant offering a wide range of hot and cold food and hot and cold beverages. The area is also open for continental breakfast. Available for functions outside lunchtime.

Term time: 9.00. 14.30 **Vending operation:** 9.00 -21.00

The Shop – Westhill

Term time: 9.00 -14.00

(These hours may vary according to business levels in vacation.)

All purchases by staff and visitors are subject to VAT. Students, on presentation of their ID cards, are exempt from VAT on food category items only.

Premises Cleanliness and Safety

We shall keep all our areas in a clean and tidy condition subject to the needs of our operation. All preparation; storage and cooking areas will be maintained to food safety standards.

Any spillage will be actioned immediately to avoid danger to customers.

Further Information

Policy and procedures which confirm our commitment to you can be seen on request in the Manager's office by arrangement. These include our Food Safety Policy, Health and Safety Policy and Procedures, Service Level Statements, etc.

Complaints

If you have a complaint which you raise verbally it will receive action by a member of our management team within 10 minutes.

All written complaints should be addressed to The Catering Operations Manager, Staff House and we undertake to reply within 5 working days. The Catering Operations Manager can also be contacted through extension 42750 during normal working hours.

If you are dissatisfied with the response to a complaint then the Director of University Catering will arbitrate on your behalf.

Redress

Where a complaint is upheld you will receive compensation to the value of the price paid. This does not affect your Statutory Rights.

University of Edinburgh: Customer Satisfaction Measures

Customer Satisfaction is one of four types of performance measure used at the University of Edinburgh, Accommodation Services. Other measures are Financial, Human Resource measures, and Process measures such as speed of service delivery and response to enquiries. The annual planning process begins with a 'self-assessment' exercise using the principles of the European Business Excellence Model to measure ongoing organisational improvements against a number of established business performance criteria. The planning process then goes on to examine the Department's mission statement and its linkage with the University's mission and strategic objectives.

Customer Satisfaction measures are then set to support the main institutional objective of providing an 'outstanding educational environment'.

A number of different measurement mechanisms are deployed to gather quantitative and qualitative feedback from both student customers and commercial customers. These include regular student surveys which cover all services delivered, localised business unit satisfaction surveys, focus groups to gather qualitative feedback and test the results of quantitative analysis, and 'listening hours' where students can talk to members of the Department's senior management team about specific problems and concerns.

For commercial customers, group and event organisers are contacted by an external company who use telephone questionnaires to examine and measure performance against a variety of criteria from the initial enquiry response through to invoice accuracy. This information is supplemented by individual delegate and visitor questionnaires which can be deposited in specially designed mailboxes or mailed back, by freepost, to the independent company contracted to provide the feedback analysis. Regular customer research by telephone and in customer workshops helps to identify the priorities for change to commercial products and services and reviews the relevance of the satisfaction measures used. In addition, mystery shoppers test the Department's response to enquiries via a variety of media from telephone through to web-based enquiry forms.

Targets are set across a range of customer measures and are reported against at regular management meetings, using a pro-forma, which shows target against current performance and uses the qualitative feedback obtained to establish 'customer driven' improvement actions. Departmental objectives and performance measures are discussed with staff at every level of the organisation and are communicated and recorded via simple, one page pro-formas which all employees sign for and which provide the basis for regular performance reviews.

Northumbria University: The Pricing Process

Performance Indicators

Each of the catering units within the Catering Service have, as one of their performance indicators, a targeted Gross Profit Percentage (GP%) to achieve each financial year.

These GP%'s are determined by the historical performance of the indicator, sales mix, customer profile and any other factors, which may be considered to exert an influence. One of which would be the absorption of any short-term unexpected price rises i.e. Coffee (International Pricing) Meat (Foot & Mouth)

Each unit manager is responsible for maintaining the levels of performance. These are measured every three to four weeks as determined by the stocktaking schedule, which feeds into the Trading Statement. The differences in GP% relate strongly to the sales mix of each unit.

Pricing Structure

a) Annual Review

A list of core items which are sold throughout the Catering Service are reviewed annually, with any price changes scheduled to be implemented for the beginning of September. Exceptions to this are when market prices take a dramatic turn upwards for a sustained period and the service can no longer absorb the additional costs involved. A good example of this occurred when potato prices rose one year, coffee in another.

The level of expenditure set against the Catering Service in the annual Estimates also determines the proposed price increase. The decision to increase these core items is made after reviewing customer price sensitivity and the need to cover allocated costs other than food cost. Account is also taken of volume of sales for the core items, competitors' pricing and benchmarking against retail prices with some items. Account is also taken of the desire to increase in multiples of 5p.

The list is agreed within the Catering Service and is implemented usually at the beginning of September. There have been occasions when the prices have not increased; 2001 for example, saw the first increase in two years for most items.

b) Unit Review

The Catering Service does not operate a standard menu cycle across the board. Unit managers determine with their staff, menu content and price. Some items will be sold at a lower margin than the designated performance GP%, usually because the item is expected to be on offer and because the customer is also particularly price sensitive.

Catering managers will therefore balance their menu content with other items which will give a greater return than the designated performance GP%, at a price which is acceptable to customers and which subsidises popular loss leaders.

Catering managers are expected to be adept at this menu/price balancing and their performance is reviewed against the Trading Statement results.

Customer expectation and the culture to which they are accustomed are also taken into consideration. A particular difficulty faced at Coach Lane is the subsidised food service which part-time Education and Health students enjoy when they are either on placement or they experience whilst at work, a situation which we are unable to compete with yet are expected to respond to.

Conference Pricing

A further annual review takes place to determine the pricing structure of conference catering. This is agreed initially between the Conference Manager and the University Catering Manager. Subject to the overall agreement of the Director.

Hospitality Pricing

This is a particularly price sensitive area, and in the last twelve months the hospitality offer has been based round a pricing structure rather than a content structure. The customer is advised on the number and type of menu item but is unaware of the specific content. Customer specific needs can be catered for without difficulty.

We have found that this has worked quite effectively for the last twelve months and has resulted in fewer adverse comments regarding menu fatigue and flexibility.

The conference pricing structure is linked to the hospitality pricing structure to allow for consistency of approach, as the conference office deals with both internal and external customers. Hospitality prices are again reviewed annually, sometimes with minimum increases.

Purchasing Policy

The requirement to purchase effectively and sensibly is the subject of a great number of debates. The effectiveness of national contracts through organisations such as NEUPG and TUCO at unit level has mixed benefits. Opportunities to purchase as groups within the region similarly do not always suit particular requirements. This was particularly evident when we joined a regional consortium for the purchase of meat, using a sole supplier instead of two nominated suppliers. Due to weak contract management and an ill placed commitment the contract pricing structure adversely affected potential GP% targets. These price discrepancies were absorbed within the Catering Service and not passed onto customers.

The need for effective purchasing agreements, which are flexible and manageable, is very important and is currently being reviewed in light of recent experiences. It should be appreciated that for every £1 expenditure on food/drink commodities the selling price for a 60% GP% to be achieved will need to be £2.50. Items such as confectionery, canned drinks and milk will never achieve a full GP% due to price sensitivity.

Service Levels

Appreciation of the service expected from the university as a whole and departments specifically influence performance targets. The need for late opening of catering units to satisfy the demands of a nominal number of customers needs to be accounted for in the overall pricing process. The waste associated with extended service has to be accounted for, and before the level becomes unacceptable a review will take place to find solutions to the difficulty.

Vending

Wherever possible vending prices are kept to the same level as counter prices, occasionally fully serviced vending machines are slightly premium priced to offset the service charges.

Feedback

Formal customer comments or questions relating to pricing are usually dealt with on an individual basis through the complaint procedure, each case being investigated individually and a response given by the University Catering Manager. Unit managers deal with informal comment and localised problems.

Queen Mary, University of London: Time to Talk

Over the years Queen Mary has tried to implement appraisal schemes without real success, and of those I had experienced, were aimed primarily at academic staff, there had never been a scheme that included all grades of staff in a Department.

As staff are our most important asset, we developed a scheme for the Conference, Catering and Residential Services Department in order that CCRS's aims, objectives and training needs could be discussed on a one to one basis with its staff and their important role in the organisation. It also opened up the opportunity for staff to ask questions, express their views on the organisation; operations and most importantly, offered suggestions as to how we could improve the working environment to achieve our goals.

The criteria used was that everyone in the Department should be included in the process and that the appraisal should be carried out once a year in the first instance, increasing in frequency if necessary in future years. This is revisited now every six months. The appraisal at first was not linked to any pay review, but now we are able to offer merit awards to set criteria.

The essential elements of the appraisal scheme were to:

- Set individual, or team targets for an agreed period
- Feed back to staff management views on their work performance
- Discuss issues of importance to the individual, team or Department
- Identify training and development needs where these contribute to the achievement of CCRS objectives
- Help staff plan their future working lives within CCRS
- Discuss staff satisfaction with working in the Department

Several other factors were also taken into account, and were:

- Appraisals are carried out in a formal way and recorded in writing on the forms
- Appraisers are responsible for ensuring that target dates are met and that any staff who are sick or absence are appraised within one week of their return to work
- 'Permanent' agency staff are included in the process
- Trade Unions and Personnel Department were in agreement with the scheme
- Paperwork was to be simple, attractive, and be professionally designed as appropriate to each group of staff

All staff in CCRS, including Managers and Heads of Department, will complete a 'Time to Talk' form (see below), or an equivalent document, in a formal way with their Manager. We believe that all staff play an important role in helping CCRS to achieve CCRS's goals to constantly improve facilities and services to its customers, whether they are students, staff or conference visitors. When completed, this document is seen by the Head of Section who will ensure that any action the Manager has agreed is carried out, and will also want to know that the individual has also carried out their agreed action.

I think it is true to say that it has taken two to three years for the system to be embedded and it is now that the benefits are really starting to show, these include:

- Better communications between staff and Managers
- Clear definitions and clear objectives
- Understanding of Departmental objectives

- Clearly identifies Training and Development needs
- Ensures issues are dealt with
- Improves motivation

Other benefits that have developed from the appraisal system is that Merit awards which have been introduced which allowed the Managers to recommend staff or groups of staff who have achieved set criteria to be financially rewarded if the Department achieves its overall set objectives.

This appraisal process started in 1998, the questions and format have been amended and improved each year. In 2001 the appraisal was revisited after six months to ensure that all goals and training needs were accounted for, and this process has now been included in the questionnaire and will continue. Also in this year we developed and introduced the Merit award system which will reward personal and group achievements.

Time To Talk

Make sure you prepare yourself for you *Time to Talk* discussion by making some brief notes against the questions below; if you can't think of a response ask a colleague or your manager for some help. This document is yours to keep; you do not have to give it to anyone unless you wish to do so. Your manager will write up the discussion for you on a new form if necessary. You will need to bring your **job description** and **task list** with you; this gives you the opportunity to discuss these. When you have finished the discussion, your manager will ask you to sign the back sheet which means that you agree with the content of the discussion and the agreed action points. The content of the discussion will remain confidential between yourself and your manager although your Section Head will sign off the completed document. All identified training needs will be forwarded to the CCRS Training and Development Manager. This is your opportunity to make suggestions about how you carry out your job and ways in which we can improve. Don't waste this opportunity. Don't worry if things change slightly over the next few months; your manager will carry out a *Time to Talk* review in approximately six months time.

☐ **Job Description** ☐ **Task List** ☐ **Personal details**

Your Time to Talk Sessions:

1. Your last Time to Talk review took place in.....................200.../... What issues were raised at that review and how have they been dealt with?
2. In what ways have you benefited from your Time to Talk session? What suggestions can you make for improving the process?

You and CCRS:

3. Are you aware of the different Sections that CCRS manages? Can you name them?

4. What are CCRS's main objectives; what are we trying to achieve as a department?

5. Can you tell me what standards your Section is trying to reach?

6. What can you personally do to help your Section meet its standards for next year? Think about:

- Your own performance
- Your contribution to the team
- Your contribution to your Section and CCRS.

You and Your Job:

7. Dou you think you are being used to your full potential? Do you feel valued? If not, what do you think your manager or CCRS could do to make you feel more valued?

8. What have you done particularly well over the past year?

9. In what ways have you experienced difficulties? What suggestions can you make to enable these difficulties to be overcome?

10. What additional materials and/or equipment do you think would help you achieve a better standard?

Continued on the next page:

Time To Talk

You and Your Job:

11. If you could change anything about your job, what would it be?

12. CCRS puts great emphasis on Health and Safety. What working practices, services or facilities do you think could be changed to help you in your job and provide a safer working environment?

13. Last year your Section lost.... Days through sickness, which cost CCRS approximately £........ What do you think could be done to minimise these figures?

14. CCRS encourages feedback from our customers; if you were a customer using the services you provide, what suggestions would you give to improve the service?

15. CCRS promotes, and continually reinforces, the importance of teamwork. How do you think you and your colleagues perform as a team? Can you make any suggestions for improving the overall team performance?

You and Your Manager:

16. Your manager holds regular meetings with you and your team. What uses do you think these meetings serve? What suggestions can you make to improve communications between your manager, yourself and your team?

17. What other opportunities do you have, other than Time to Talk, to speak to your manager on a one-to-one basis?

18. What things do you think causes your manager to feel stressed? What do you think you and your manager could do to minimise that stress?

You and Your Training and Development:

19. What training have you had over the past year and how has this made a difference to the way in which you do you job? What further training do you think would benefit you?

20. Mandatory training for your area is

- Induction
- Customer Care
- Basic Health and Safety
- Manual Handling
- Food Hygiene (Food handlers only)

Why do you think this training is mandatory?

21. Would you like to make any additional comments or suggestions?

Thank you for contributing to this session. If you would like to add any comments please see your Manager.

Time to Talk 2002

What are we Agreeing to Do?

We hope that you have found "Time to Talk" useful and that it will make working for CCRS a better experience.

The outcome of this years "Time to Talk" is:

....(staff name) agrees to do the following:

1.
2.
3.
4.

Signed. .... Date ....

....(Manager) agrees to do the following:

1.
2.
3.
4.

Signed. .... Date ....

Training needs have been identified and agreed as.

1.
2.
3.

Section Head. .... Date ....

Time to Talk Review 2002

Time to Talk Review *to be completed July/August 2001*

What were the issues raised at the time to talk session at the beginning of the year?
....
....
....
....

From the issues listed above what action has been taken?
....
....
....

What training has **been** completed?
....
....
....

List any action or training that is outstanding - give reasons why this is outstanding and state a date for completion.
....
....

Are there any other issues that have arisen since the time to talk session that need to be dealt with?
....
....

Are there any additional training needs?
....
....
....

Employee ....

Date ....

Manager ....

Date ....

Section Head ....

Date ....

CCRS
CONFERENCE, CATERING & RESIDENTIAL SERVICES

INVESTOR IN PEOPLE

Sheffield Hallam University (SHU): Catering Services Customer Value Management – Hospitality Services

How the process was applied

Two groups, one for staff and the other for customers, were formed to undertake this customer value exercise.

The staff group was a cross section of eight catering staff from City Campus and the Stoddart Building. They were chosen because of their involvement in delivering Catering Hospitality Services. Both food services and food production staff attended.

Similarly, a group of eight hospitality customers were nominated by Catering Services Managers. These customers were regular users and represented central departments and schools. Representatives came from the Stoddart Building, Science Park, main Campus and the Sheaf Building.

Each group attended a two-hour workshop-style session, led by Mark Swales, assisted by Frances Dowd. The concept of customer value management was introduced and how it will contribute to the FD customer results criteria in the EFQM Excellence Model. The concepts of effectiveness, efficiency, accessibility, relationships and price were described to each group. The key attributes under each heading were identified through a process of brainstorming and discussion by the group, and consensus reached on how these should be described. An initial scoring process identified priority attributes, which were then weighted. A further form-based survey of each group measured perceived performance under each heading.

The results of both groups were plotted onto Excel spreadsheets with graphical analysis to facilitate comparisons of the results. A summary of the key findings is presented below. Points for action based on the outcomes of the exercise are also presented.

Priority attributes

The table below shows the top five attributes identified by each group. The following summaries examine the results under each key concept.

Staff	Customers
Presentation	Quality
Promptness	Timing
Friendliness	Professional
Value for Money	Value for Money
Quality ingredients	Temperature/Freshness

Effectiveness – how good is it?

Customers identified **quality** as the most important attribute followed by **temperature of products/freshness**. Staff identified **presentation** as the most important attribute, followed by **quality ingredients**. It could be argued that both these are also as important to customers as characteristics of a 'quality' service.

Presentation only materialises in customer comments in terms of **labelling** and **ease of eating**. Customers' perception of effectiveness is linked to quality attributes of the service. These can be expressed as quality factors covering the variety, volume, variation and variability features of the service.

Efficiency – how is it delivered?

Both customers and staff perceptions matched here with **timing** (customers) and **promptness** (staff) being the predominant attributes. This confirms that catering staff are aware of how important this is to customers. Staff did express concern over not always having the resources to meet customer demand/expectations. The fluctuation in service demands over the course of the day and the year is clearly an issue that Catering Services needs to address.

Customers identified a requirement for the **layout** to be considered by Catering in advance of the service being delivered.

The importance of the service being able to **respond flexibly to late changes** was expressed.

Issues put forward by the staff group such as **customer dialogue** and **well-trained staff** did not appear in this section from the customer's viewpoint. This point should be emphasised as staff should be aware of these as priority issues, but they should be transparent to the customer. Effective training aligned to the needs of the business will have a positive impact on operations efficiency. Good two-way communication also facilitates understanding of customer expectations and precisely what the service can provide within the resources available.

Relationships – credibility of person delivering it

Customers spoke of **professionalism** here (the third most important attribute overall), ??but the only attribute weighted by customers in the section??is there a word missing?.

Staff described **friendliness** and **staff appearance**.

Separate priorities identified by customers in this area which influenced the high points awarded to **professionalism** were that staff should be friendly, have product knowledge, a consistent approach (especially across different venues) and an understanding of how their conduct and presentation impacts on the customer experience.

Accessibility – how easily it can be got?

Neither customers nor staff weighted any attribute in this area (so there is also no performance rating).

Catering staff, unlike the customer group, considered **disabled access** and the **availability of space**.

In terms of customer access to the service, both groups did agree that the accuracy of booking information is critical. Customers expressed concern that the Help Desk/Catering did not provide **confirmation** to customers of the booking details.

It is in this area that customers placed many of their issues relating to the transparency of the 'total experience', such as **integrated services**, **event co-ordination**, **services to all buildings**.

Price – cost of service (economic delivery)

Value for money was the only weighted attribute in this section by customers. Not surprisingly the staff group also weighted this highly. This group identified **competitiveness** as being important but this was not weighted nor singled out for consideration by the customer group.

Little discussion took place with the customer group on competitors' ability to satisfy more or less than SHU Catering Services. It did become clear that there is some internal invisible competition, where customers choose to provide hospitality via regular cash sales outlets within SHU rather than use the internal re-charging system.

Comments were made about **prices being too high** and not **consistent across the sites**. Customers felt that the **billing process** was not customer focussed, and policies on **minimum numbers** and **refunding** were not clearly understood.

Summary

Customer perceptions are in part based upon a lack of information of how SHU's Hospitality Catering Services are operated. Details of the price, product and terms and conditions of booking are not understood by customers. The satisfaction scores recorded by the two groups are very close with an overall customer and staff rating of 3.89 and 4.04 respectively. These scores will now be used as a benchmark of where the service currently is and how, when the exercise is repeated, it has improved. Overall the scores show a reasonable level of satisfaction of the service with customers. Having said this, Catering Services must also recognise that a 'change of gear' will be required to fully meet customer expectations of a professional service that provides a quality, value for money experience.

To move forward, specific key performance indicators should be established to monitor service improvements. Managers must also ensure that adequate resources are allocated to those areas identified for improvement through the business planning and budget setting process. Tackling the areas for improvement on how Hospitality Catering Services are marketed and administered will, on the basis of this exercise, assist in the improvement of customers' perceptions on Hospitality Catering services.

Points for action

Catering Services needs to:

- recognise that the 'total experience' is paramount for internal clients and ensure operational and training plans reflect this
- ensure staffing and equipment resources are focused on delivering a timely service and that a key performance indicator should be created to measure this
- understand the implications of customers seeking a 'professional' service as opposed to being 'friendly', and that inconsistencies in service delivery and staff attitudes are noticed by customers.

A review of how rooms booked for a catering event are pre checked to ensure that there are tables to lay food and beverages on and that the room is clean and tidy should be considered. In addition, a review of administration processes should be undertaken in Catering Services to address the issued raised by customers concerning the following:

- billing processes, receipt of internal recharges
- how information is relayed between customer/help-desk/and catering
- the feasibility of customers receiving written confirmation of booking details
- developing specific key performance indicators for SHU's hospitality catering service.

Value for money is the key attribute associated with price by customers. Perception of VfM will be influenced by the 'total customer experience'. Ensuring regular customer feedback, consultation with customers on menu structures needs to be deployed consistently throughout the service. Only 1 customer out of 8 recognised the document entitled Hospitality Catering Services 1999/2000. Ignorance of the details in this document is a clear barrier to providing the service. Customers are clearly not aware of Catering hospitality pricing policies, procedures or product ranges available.

Continuing the customer value process:

- customer groups for cash sales to staff should include representatives of hospitality purchasers

UMIST: Trading Services Mission Statement

'Trading Services is responsible for providing customer services, facilities and support to UMIST staff, students and visitors, with the aim of supporting the University in its pursuit of academic excellence.

Trading Services wishes to build on high standards of service and quality already provided for its customers and recognised through the award of Investors in People.

As an organisation we remain committed to providing better customer service by the involvement and development of staff.'

Primary aims:

- The primary aim of the Department is to ensure that its income equals its expenditure.

Secondary aims:

- The Department will aim to operate within a financial framework which allows it to continuously develop its business. This aim will be achieved by providing services which continually meet the changing expectations of its customers.

- Customer satisfaction coupled with successful financial performance, will allow the Department to improve the infrastructure in which its various businesses operate. Furthermore these conditions support the aim of creating personal development opportunities for those staff who wish to progress in their careers.

Central Catering Business Aims – Financial year 2002/03

The following statements explain what the financial targets are for Central Catering:

Income:

To maintain students / staff income to achieve £714,000

To achieve conference and vacation income of £830,000

Total targeted income for the year is therefore £1,545,200.

Expenditure:

Management and food production staff will be expected to control costs as indicated:

- Food cost of sales @ 37% of income.

Management and service staff will be expected to control labour costs as indicated:

- Labour cost @ 44% of income.

Management will be expected to control overhead costs:
- Overheads @ 26.8% of income.

The total targeted operating deficit for the year is £67K. This is allowing £152K for refurbishment.

Business aims and objectives

All staff are expected to contribute to achieving the Business Aims and Objectives listed below. Working together, Management and Staff can achieve the Objectives in the new financial year.

Maintain high levels of customer care to both students, staff and conferences customers

This will be monitored by the issuing of questionnaires in terms 1 and 2. Success will be measured by achieving a score of 70% or better for good / excellent responses in the following areas:

- friendliness of staff
- cleanliness of catering areas
- quality of food
- variety and choice
- quality of service

This requires time tabling for maximum benefit.

Customer groups will continue to enable real needs to be identified and services modified to suit. A product development group will be set up. An environmental group will be set up to deal with Central Catering issues

Measure of success
- action on the results of the questionnaires and a comparison of terms 1 and 2
- practical results from the environmental group
- practical results from the product development group

To complete development of strategic planning

The infrastructure will continue to be developed during the financial year. Plans laid to redevelop the main building will come to fruition

Plans will need to be developed in conjunction with the Student Association to provide a quality outlet in the foyer of the Student Association

The Geller tills need to be continually updated and meaningful management reports actioned.

Measure of success
- the successful opening of the main building project
- completion of the Student Association project

The continued effective use and personalisation of operating manual

Measure of success
- the achievement of implementing personalised development files.

To continue to place business where profits can be maximised

This will require continued management of bookings to make sure that only cost effective business is placed in the appropriate business areas.

To ensure that best practice is complied with

Measure of success
- completion of regular daily audits by supervisory staff
- achievement of a heath and safety culture, where health and safety issues are reported regularly by the catering staff
- the continued maintenance of the safety book in catering outlets
- quarterly audits of health and safety issues by management
- a regular monthly audit of cleaning
- the continued quarterly central catering health and safety meetings to review catering as a whole

To continue examining: and improving cost control

This will include continuation of regular meetings to discuss cost percentages achieved during the previous operating period and the continued development of supervisory staff

Measure of success
- weekly meetings with supervisors to discuss effective cost control
- production of individual weekly operating statements for outlet salaries and wages
- production of individual monthly operating statements for outlets for all costs
- production of management reports from Geller tills
- achievement of good cost control

To ensure staff participate fully in achieving the business aims

- continued regular meetings between catering management and supervisors, which will address operational issues for the forthcoming week, and be an opportunity to raise any items that are a concern

- to continue all training and development reviews and pay particular attention to completing the training needs for all staff
- to continue to empower supervisors and increase the ownership of the business
- to continue to make sure that effective two-way communications operate between supervisors and staff by the continuation of daily meetings to discuss operational issues
- to continue to make all the staff aware of the in-house training and development opportunities and the way in which they may make a personal contribution to the achievement of business aims and objectives
- to continue to work towards enabling all individuals to achieve their personal development objectives, including NVQ development
- to continue to make sure all staff contribute to best practice with regards to health and hygiene and safety in all operational areas, by reporting any deficiencies to supervisors or unit safety reps
- to continue to make sure all employees understand their responsibilities and the health and safety procedures that apply to their particular working areas, as outlined in the personal development files
- to continue to update the personal development file with new information on training with (visual displays in the file)

Measures of Success
- continue updating personalised personal development files
- continue delivery of category A training.
- continued effective communication and a year on year improvement in staff perception.

Development of Product

It is essential that catering continues to upgrade both the product and the service offered to the customers to ensure that offering stays fresh and appealing.

Measures of Success
- the continued review of and introduction of new products for the Mumford room, the senior common room and the Renold Café Bar
- to develop the breakfast service and target the halls of residence
- to make the new outlets profitable
- to develop a marketing campaign for Freshers week and Xmas (and to deliver it). Success will be measured by growth in student income and Xmas business
- to remain in touch with market trends with visits to other Universities and competitors and to develop a database of competitors' prices

Annex D

Glossary

CUBO	Conference of University Business Officers
EFQM	European Foundation for Quality Management
EMS	Estates management statistics
EPOS	Electronic point of sale
EWG	Expert Working Group
FTE	Full-time equivalent
HE	Higher education
HEFCE	Higher Education Funding Council for England
HEI	Higher education institution
HOCG	Heads of Consortia Group
HR	Human resources
IIP	Investors In People
ISO	International Organisation for Standardisation
IT	Information technology
KPI	Key performance indicators
KPR	Key performance results
NEUPG	North East University Purchasing Group
NPG	National Purchasing Group
OJEC	Official Journal of the European Communities
QA	Quality assurance
PR	Public relations
SWOT	Strengths, weaknesses, opportunities, threats
TUCO	The University Caterers Organisation
VFM	Value For Money

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ERIC
Educational Resources Information Center

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